



## **MBOMBELA LOCAL MUNICIPALITY**

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### **2015/2016 – 2017/2018 FINAL BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)**

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## TABLE OF CONTENTS

### **PART 1 – ANNUAL BUDGET ..... 6**

1.1	MAYOR'S REPORT.....	6-16
1.2	COUNCIL RESOLUTIONS .....	17-19
1.3	EXECUTIVE SUMMARY .....	20-25
1.4	OPERATING REVENUE FRAMEWORK.....	25-28
1.5	OPERATING EXPENDITURE FRAMEWORK.....	29-34
1.6	CAPITAL EXPENDITURE.....	35-48
1.7	ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	49-62

### **PART 2 – SUPPORTING DOCUMENTATION ..... 63**

2.1	OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	63-66
2.2	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE IDP .....	66-74
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	75-79
2.4	OVERVIEW OF BUDGET RELATED-POLICIES.....	79-82
2.5	OVERVIEW OF BUDGET ASSUMPTIONS .....	80-82
2.6	OVERVIEW OF BUDGET FUNDING.....	83-869
2.7	BUDGET SUPPORTING TABLES.....	90-123
2.8	LEGISLATION COMPLIANCE STATUS.....	124
2.9	MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	125

## ABBREVIATIONS, ACRONYMS AND DEFINITIONS

**COGTA** – Department of Co-operative Governance and Traditional Affairs

**CPI** – Consumer Price Index

**DORA** – Division of Revenue Act

**EPWP** – Expanded Public Works Programmes

**GDP** - Gross Domestic Product

**GRAP** – Generally Recognised Accounting Practice

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality.

**INEPG** – Integrated National Electrification Programme Grant

**MFMA** – Municipal Finance Management Act, 56 of 2003

**MIG** – Municipal Infrastructure Grant

**MPRA** – Municipal Property Rates Act, 06 of 2004

**MSA** – Municipal Systems Act, 32 of 2000

**MTREF** – Medium-term Revenue and Expenditure Framework

**MWIG** – Municipal Water Infrastructure Grant

**NDPG** – Neighbourhood Development Programme Grant

**NERSA** – National Electricity Regulator of South Africa

**NT** – National Treasury

**PT** – Provincial Treasury

**PTISG** – Public Transport Infrastructure Systems Grant

**SDBIP** – Service Delivery and Budget Implementation Plan

**WSOSG** – Water Services Operating Subsidy Grant

**The Act** – Refers to the Municipal Finance Management Act, 56 of 2003

**Adjustment Budgets** – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Equitable Share** – A general grant paid to municipalities.

**Operational Expenditure** – Spending on the day to day expenses of a municipality such as general expenses, salaries and wages, and repairs and maintenance.

**Rates** – Local Government tax based on assessed valuation of a property.

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality for a specific period.

**Capital Expenditure** – Spending on municipal assets such as property, plant and equipments. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

FINAL

# PART 1 – ANNUAL BUDGET

## 1.1 MAYOR'S REPORT

2015 MUNICIPAL BUDGET SPEECH BY THE EXECUTIVE MAYOR OF MBOMBELA LOCAL MUNICIPALITY, CLLR S P MATHONSI – 28 MAY 2015

The Honourable Speaker of council, Cllr J, Sidell

Honourable Chief Whip of council, Cllr H Mbuyane

Honourable Members of the Mayoral Committee

Honourable Party Whips of Opposition Parties

Honourable Councillors

Honourable Traditional Leaders present

Members of Ward Committees present

Municipal Manager

Senior Management of the municipality

Distinguished Guests

Members of the media

Ladies and Gentlemen

Good afternoon, Ngiyanibingelela, Dumelang, Avuxeni, Goeie Middag

It is indeed an honour for me and I am humbled to table my second budget for 2015/2016 and the medium-term revenue and expenditure framework that will seek to take the process of a better life for all citizens of Mbombela Local Municipality forward.

Honourable Speaker, as we get ever so closer to the end of the road in terms of our political term of office, it is important to realize that we have to work even harder to ensure that indeed we leave a lasting legacy whilst creating a stable platform for those who will take the process forward.

With this budget I am tabling today, it has been confirmed that working together we can and will move Mbombela forward. Inputs and comments received from all stakeholders and the members of the public were very progressive and encouraging. I will reflect shortly on these inputs and comments received from the members of public and stakeholders.

Honourable Speaker, the process of preparing this budget was validated by the approval by the Municipal Council of the 2015/2016 Integrated Development Plan (IDP), Budget, Risk Management and Performance Management Process Plan in August 2014. This process plan has been used as a roadmap to navigate the journey to arrive to this day of tabling this budget.

We have spent six months from September 2014 until February 2015, Honourable Speaker conducting public participation and consultative processes so that all inputs and priorities of the citizens of the municipality are catered for on the revised IDP which formed the basis for the process of the preparation of this budget.

Honorable Speaker and Members of Council, I need to point out that as we prepare and put together this budget, we were also mindful of the fact that the municipality does not exist in isolation so it will always be influenced by what happens globally, regionally, and nationally guided by the National Development Plan strategic objectives and of course our provincial priorities.

What we are tabling today before this August house, Honourable Speaker, is indeed informed by all these trends and realities that our communities are faced with on a daily basis.

However more importantly what our people out there have been yearning for is summed up into five (5) priorities of Government at both national and provincial level.

Government has committed itself to make a difference in the lives of our people by addressing the five key priority areas which are education, fighting crime and corruption, health, employment and rural development.

The President of the Republic of South Africa, His Excellence Mr J G Zuma when delivering in Parliament his 2015 State of Nation of the Address on 12 February 2015, shared the nine (9) point plan of the National Government to ignite growth and create jobs; These are

1. Resolving the energy challenge.
2. Revitalising agriculture and the agro-processing value chain.
3. Advancing beneficiation or adding value to our mineral wealth.
4. More effective implementation of a higher impact Industrial Policy Action Plan.
5. Encouraging private sector investment.
6. Moderating workplace conflict.
7. Unlocking the potential of SMMEs, cooperatives, township and rural enterprises.
8. State reform and boosting the role of state owned companies, ICT infrastructure or broadband roll out, water, sanitation and transport infrastructure.
9. Operation Phakisa aimed growing the ocean economy and other sectors.

His Excellence, Mr J G Zuma the President of the Republic of South Africa also reaffirmed that Local government is everybody's business. We have to make it work.

The President retaliated institutionalization of the Back to Basics programme launched on 18 September 2014 at the Presidential Local Government Summit to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensure transparency and accountability in municipalities.

Honourable Speaker, Our Premier of the Province, Honourable Mr D D Mabuza in his 2015 State of the Province Address delivered to the Provincial Legislature on 27 February 2015 reaffirmed the provincial five year programme which pays particular attention to:

1. Growing the economy and creating decent employment to address the triple challenge of unemployment, poverty, and inequality.
2. Improving the quality of education.
3. Improving our health care system to ensure that we increase life expectancy and mitigate the negative impact of HIV and AIDS, and opportunistic diseases.
4. Ensuring that our people have access to basic services to improve their quality of life

The Honourable Premier, Mr DD Mabuza in his State of the Province Address for 2015 also outlined strategic programmes and projects that will be implemented in our municipal areas, which includes amongst others;

1. The establishment of the Mpumalanga International Fresh Produce Market to support agricultural production and create a logistics platform for the export of our fresh produce to international markets.
2. The construction of strategic dams to increase the availability of water supply for development.
3. The construction of the Cultural Hub to ensure opportunities for private sector investment are explored.
4. The establishment of the International Convention Centre.

Honourable Speaker I believe is worth appreciating and commending the Provincial Government for the programmes and projects that are currently or will be undertaken in our municipal areas in 2015/2016 which includes amongst others;

1. The construction of a bridge between Manzini and Mgcobaneni at a cost of R5 million.
2. The Rehabilitation of Road D2969 between Manzini and Swalala (3.8km) at a cost of R2 million.
3. The Construction of Social Development branch offices in Jerusalem at a cost of R13 million.
4. The rehabilitation of the R538 road from Hazyview to White River at a cost of R83 million.
5. The reconstruction of a Flood Damaged Culvert on road D2973 between Gutshwakop and Clau-Clau at a cost of R15 million.
6. The integrated human settlement projects in Tekwane North (100 housing units) and South (722 housing units) at a cost of R42 million.

Honourable Speaker, Members of Council and the citizens of the municipality, the municipality as the sphere of government is in the coalface of service delivery.

And therefore the National and Provincial priorities and programmes earmarked for igniting growth and provision of basic services to our local communities must be entrenched in our strategic development agenda and align to our Integrated Development Planning.



The eradication of backlogs in relation to the provision of basic services, maintenance of the existing infrastructure and assets, cleanliness of the municipality, good governance and accountability, and upskilling and building of capacity in our human capital and of course, enabling of economic growth in the municipal areas remains the key priorities of the municipality.

Honourable Speaker, the Integrated Development Plan (the IDP) strategic objectives adopted in 2011 when this political administration came into office, as our five (5) year development programme has identified the following priorities;

- (a) Water supply;
- (b) Road infrastructure development and storm-water management;
- (c) Electricity supply and management;
- (d) Integrated human settlement;
- (e) Good governance and institutional development;
- (f) Decent sanitation;
- (g) Community development;
- (h) Rural development;
- (i) Economic development;
- (j) Waste and environment management;
- (k) Sound Financial management;
- (l) Efficient Public Transport System;
- (m) 2010 legacy; and
- (n) Revenue enhancement.

Honourable Speaker and Members of Council, you would recall that on 31 March 2015 that this August House adopted the 2015/2016 draft budget and medium-term revenue and expenditure framework.

And as required in terms of the legislative and regulatory framework, the public participation and consultative process was conducted subsequently, from 13 April until 15 May 2015. The public and stakeholders were afforded an opportunity to make inputs and comments on the adopted draft revised IDP and budget.

Through the public participation and consultative process we have received valuable inputs and comments from citizens of the municipality and stakeholders. And I must say Honourable Speaker the participation process for this year was remarkable and I would like to thank each and everyone who has made an effort to participate and make this process a success. And I must also mention that we have considered all inputs and comments on the finalization of the revised IDP and the budget.

The highlights of the public participation and consultative process are as follows;

1. Through your leadership Honourable Speaker, five zonal meetings were held with local communities from 21 April 2015 and 06 May 2015, and furthermore a consultation meeting was held on 05 May 2015 with organised stakeholders namely; Business Sector (KLBCT and NAFCOC), farmers and ratepayers associations etc.
2. The Traditional Leaders were consulted on an individual basis by the Office of Speaker from 23 April 2015 until 15 May 2015.
3. The inputs and comments received during this engagement process includes, amongst others, the following matters
  - (a) The inputs received from the five zonal meetings, especially in the Eastern part of the municipality were mainly with regard to lack of provision of basic services caused by backlogs on infrastructure to render those basic services such as water, electricity, sanitation, employment opportunities, local economic development etc.
  - (b) The organised stakeholders made inputs and also raised concerns as follows;
    - (i) A concern was raised about the annual increase on tariffs and fees which is above the forecasted inflation. A satisfactory explanation was provided by the municipality during the meeting as to why the annual tariffs and fees cannot be contained within the forecasted inflation.
    - (ii) The increase of bulk electricity charges, fuel, employees' related costs, water and sanitation cost review model or rebase etc. contributed to the increase above the forecasted inflation over the medium-term.
    - (iii) For instance, to ensure the huge increase of 38 per cent on water tariffs does not impact negatively on the poor, low and medium income customers, the increase on monthly water consumption of between 6 to 12 kilolitres has been capped to an average increase of 10 per cent in 2015/2016.
      - The one (1) per cent payment incentive for good paying customers to be introduced on 01 July 2015 was welcomed by the organised stakeholders as way of fostering the culture of payment of municipal services.
      - A grave concern was also raised about the lack of proper management of municipal employees resulting in inefficiency and incurring of excessive overtime expenditure.

As part of the consultative process, the municipality also had a benchmark engagement exercise with the National Treasury on 19 May 2015 with regard to the 2015/2016 adopted draft IDP and Budget. The benchmark engagement exercise was conducted with an objective of assessing the credibility of the adopted 2015/2016 draft revised IDP and budget.

The following are the key findings and recommendations by the National Treasury regarding the adopted budget;

1. The adopted draft budget was found to be funded with risks and National Treasury identified the following risks which need to be addressed by the municipality;

- (a) Insufficient measures to collect outstanding debts.
- (b) Unsustainability of cashflow projections due to outstanding debts insufficient collection.
- (c) Timeous payment of creditors, especially Eskom, Water Boards etc.
- (d) Lack of cashbacked reserves for funding of capital programmes, future costs of rehabilitation of landfill sites, employee retirement benefits etc.
- (e) Inefficiency on the utilization of employees resulting in above the norm on incurring of overtime expenditure and contracted services.

2. The National Treasury noted the twelve (12) point plan approved by the municipal council on 31 March 2015 that the plan addresses some of the matters raised above however cautioned the municipality about the importance of the implementation of the plan.

Honourable Speaker, as I conclude on the public participation process I need to mentioned that due to the limitation of the available funding and other factors, not all inputs and comments have been considered on the finalisation of the 2015/2016 budget and MTREF, However those inputs and comments not considered will be looked at during the 2015/2016 budgeting process.

## **FUNDAMENTALS OF 2015/2016 BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)**

Honourable Speaker I am now turning into the fundamentals of the 2015/2016 budget and medium-term revenue and expenditure framework (MTREF).

The 2015/2016 budget is prepared in the midst of the implementation of the turnaround strategy approved by the municipal council on 21 August 2014.

The turnaround strategy is implemented as an intervention to address key challenges which impact negatively on the administrative and operational capacity of the municipality;

- (a) Financial Management – comprising of matters of revenue enhancement, cost curtailment, fleet management, supply chain management and clean audit roadmap.
- (b) Service Delivery – comprising of acceleration of spending on capital projects, water supply interventions, waste management and cleanliness, repairs and maintenance of the municipal infrastructure.
- (c) Governance and Institutional Development – comprising of filling of critical vacant positions, risk management, performance monitoring and evaluation, internal audit, system of delegations of powers and functions, ICT governance etc.
- (d) Social and Economic Development – comprising of local economic development strategy, rural development, spatial planning, integrated human settlement etc.

The aforementioned matters formed the basis of the formulation of the budget objectives over the medium-term. These are;

- (a) To manage risks associated with unstable financial position, underperformance on service delivery, address governance and institutional development challenges;
- (b) To improve financial performance and sustainability over the long term;
- (c) To ensure the citizens of the municipality are provided with acceptable levels of services;
- (d) To maintain the existing assets and infrastructure base by ensuring adequate repairs and maintenance is undertaken;
- (e) To achieve a clean audit outcome; and
- (f) To enable local economic development initiatives and sustainable employment creation.

## **ECONOMIC OUTLOOK, GUIDELINES AND ASSUMPTIONS**

From a macro environment perspective, the economic performance over the medium-term looks bleak as a slow economic growth trends has been forecasted and the reflections of this unfavourable economic growth condition will impact negatively on all spheres of government.

The revenue base of the municipality will be under pressure as no new revenues will be derived at the moment due to the slow economic growth and local circumstances.

The consumer price inflation is expected to stay within the 3 to 6 per cent inflation target set by the South African Reserve Bank over the medium-term.

The national economic growth will be under pressure and as the economy will be growing on an average of 2.5 per cent over the medium-term which is far less than the annual national economic growth target of 5 to 7 per cent set by the National Development Plan.

The slow economic growth impacts negatively on the reduction of poverty, inequality and unemployment.

As a consequence of the distress economy a conservative approach has been adopted when projections were made for expected revenues cash receipts in the next medium-term.

On the expenditure side - careful analysis and evaluation of the current spending patterns has been conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

### **1. Revenue generation assumptions and projections**

The total grants allocated to the municipality in terms of the 2015 Division of Revenue Bill amounts R3,1 billion over the medium-term, reflecting an increase of R264 million (8%) and the total allocation for 2015/2016 budget year is R981 million.

And the total grant in-kind allocation over the medium-term amounts to R313 million.

The average increase on tariffs for electricity, water, sewerage, and refuse removal services charge will be 9.2 per cent in 2015/2016 and the average increase over the medium-term will be 9.1 per cent. And the water and sanitation in the concession area will increase by 10.31 per cent in 2015/2016.

It should be cautioned that the electricity tariffs increase maybe further increased if the National Energy Regulators of South Africa approves on 29 June 2015 the additional tariff increase of 12.4 per cent application by Eskom.

The revenue expected to be generated from rates and services charge will be R1,3 billion in 2015/2016, increasing to R1,6 billion over the medium-term.

(a) Operating expenditure guidelines and assumptions

The operating expenditure will increase by an average of 7.2 per cent in 2015/2016 and by an average of 7.8 per cent over the medium-term.

The increases on key expenditure drivers will be as follows in 2015/2016;

- The employees remuneration cost will increase by 6 per cent to a total cost of R546 million.
- The electricity bulk purchase will increase by 14.4 per cent as per the approval granted to Eskom by the National Energy Regulator of South Africa to a total cost of R467 million.
- The contracted services and other expenditure will increase by 14.7 per cent to R559 million.

Honourable Speaker we will give a special attention to the contracted services during 2015/2016 as there are warning signals that there is inefficiency in our administrative and operational systems as the cost of contracted services services remains unreasonable high and needs to be reviewed.

(b) Capital expenditure assumptions

Honourable Speaker, the capital expenditure will be funded mainly from capital conditional grants allocation which will amount to R406 million in 2015/2016 and increasing to R453 over the medium-term.

The funding from internal generated funds and borrowings will amount to R107 million and R36 million respectively in 2015/2016 and increasing to R165 million over the medium-term.

No new borrowings will be undertaken over this medium-term. The R36 million funding from borrowing will come from the long-term borrowing of R160 million taken up by the municipality in October 2013.

The capital expenditure budget allocated for eradication of backlogs for basic services infrastructure will amount to R1,4 billion over the medium-term.

(c) Provision of free basic services

Honourable Speaker, to ensure indigent households have access to basic services, the municipality will continue to provide free basic services on water, electricity and sewerage and grant subsidies at a cost of

R150 million in 2015/2016 and 12 178 households will be provided with free basic electricity and 121 000 households will be provided with free basic water.

And the rebates and exemptions on property rates charge will amount to R168 million in 2015/2016.

Honourable Speaker all the matters I have alluded to above forms the basis of the budget I am tabling today to the municipal council for consideration for approval.

- (a) The total budget for 2015/2016 amounts to R2,7 billion and increases to R3,2 billion over the medium-term;
- (b) The operating expenditure budget for 2015/2016 amounts to R2,2 billion and increases to R2,6 billion over the medium-term;
- (c) The operating revenue budget for 2015/2016 amounts to R2,2 billion and increases to R2,7 billion over the medium-term; and
- (d) The capital expenditure budget for 2015/2016 amounts to R582 million and increases to R623 over the medium-term.

Honourable Speaker it should be mentioned that the operating budget deficit has been narrowed to 1 per cent in 2015/2016 compared to the deficit of 12 per cent in 2014/2015.

And an operating budget surplus of 1 per cent is projected in 2016/2017 which is an indication that the financial performance of the municipality is stabilizing.

The cashflow position is projected to improve by 79 per cent in 2015/2016 to amount R275 million from an amount of R154 million estimated for 2014/2015.

Honourable Speaker, the total budget of R 2,7 billion breakdown per department is as follows in 2015/2016;

- (a) The Infrastructure Development Department has been allocated R1,1 billion of which R801 million will be for operating expenditure and R272 million will be for capital expenditure.
- (b) The Community Services Department has been allocated R590 million of which R560 million will be for operating expenditure and R30 million will be for capital expenditure.
- (c) The Water and Sanitation Department has been allocated R490 million of which R262 million will be for operating expenditure and R228 will be for capital expenditure.
- (d) The Corporate Services Department has been allocated R191 million of which R181 million will be for operating expenditure and R10 million for capital expenditure. The operating expenditure budget of 181 million includes R60 million allocated for employees salary payment progressions, filling of critical positions and contingency for ongoing salary increase negotiations between organised labour and the South African Local Government Association (SALGA).

- (e) The Finance Department has been allocated R166 million of which R159 million will be for operating expenditure and R7 million will be for capital expenditure.
- (f) The City Planning and Development Department has been allocated R92 of which R64 million will be for operating expenditure and R27 million will be for capital expenditure.
- (g) The other departments such as Planning, Council and Council Support has been allocated R101 million of which R98 million will be for operating expenditure and R3 million will be for capital expenditure

The allocation of the capital budget per municipal priorities is as follows over the medium-term;

- (a) The water supply programmes and projects has been allocated 42 per cent, amounting to R738 million with R228 million allocated for 2015/2016.
- (b) The roads and stormwater management programmes and projects have been allocated 17 per cent, amounting to R301 million with R125 million allocated for 2015/2016.
- (c) The public transport programmes and projects have been allocated 14 per cent, amounting to R240 million with R77 million allocated for 2015/2016.
- (d) The economic development programmes and projects have been allocated 6 per cent, amounting to R108 million with R25 million allocated for 2015/2016.
- (e) The community development programmes and projects have been allocated 4 per cent, amounting to R76 million with R26 million allocated for 2015/2016.
- (f) The other programmes and projects have been allocated 12 per cent, amounting to R206 million with R62 million allocated for 2015/2016.

Honourable Speaker, the impact of the implementing this capital budget will be measured in terms of the following planned milestones and targets;

- (a) The implementation of the water supply programme will result in increase of bulk water supply by 43 megalitres per day.

The augmentation of bulk water will also be done through the equipping of boreholes and installation of storage tanks that will benefit 15 449 households.

- (b) The implementation of sanitation programme will result in 1 799 households having access to waterborne sewer system and the areas targeted are; Hazyview, Tekwane North and South and Matsafeni.
- (c) The implementation of the stormwater management capital budget will result in nineteen (19) kilometres gravel roads being upgraded to tar roads. Some of the major projects that will be undertaken will include;



- The construction and tarring of Daantjie Cemetery road in ward 2 will be completed in 2015/2016 at a budget allocation of R49 million.
  - The construction and tarring of Sand ford busroute will be done in 2015/2016 at a budget allocation of R15 million.
  - The widening and reconstruction of the Kaapse hoop road in ward 15 will done at a budget allocation of R14 million.
- (d) The implementation of the projects under the electricity supply and management programme will result in four (4) electricity supply sub-stations being upgraded, situated in West Acres, Valencia Park, Town North in White River and Matsafeni-Ilanga at a budget allocation of R47 million.

The electrification of 500 households in Phumlani Village at a budget allocation of R8 million and 2 890 households in Msholozhi from 2016/2017 at a budget allocation of R19 million.

- (e) The implementation of the projects under the public transport programme will result in ten (10) public transport facilities constructed urban and rural areas of the municipality at a budget allocation of R103 million.
- (f) The implementation of the economic development programme will result in the upgrade of the KaNyamazane-Msogwaba and Luphisi road as part of phase one (1) of the urban network strategy funded from the Neighbourhood Development Partnership Grant at amount of R67 million.

As I conclude, Honourable Speaker our appreciation goes to the citizens of Mbombela for the belief and trust they have on the municipality and the ruling party and the other parties in Council. And I would like to assure our citizens that we will indeed deliver on the mandates given to us and we dare not fail them.

I would also like to extend my warmest words of appreciation to the administration team led by the Municipal Manager and the Members of Mayoral Committee for the unwavering support and assistance in putting together this budget I am tabling before the August house today.

To this end Honourable Speaker and the esteemed Members of Council I hereby table the 2015/2016 budget and medium-term revenue and expenditure framework for consideration and approval by the municipal council.

I THANK YOU



## 1.2 COUNCIL RESOLUTIONS

On 28 May 2015, under item A(2), the council of Mbombela Local Municipality met at the council chambers to consider 2015/2016 – 2017/2018 the final annual Budget and Medium-Term Revenue and Expenditure Framework report tabled by the Executive Mayor and resolved that;

- (a) Council take note of the content of the report;
- (b) The final budget and medium term revenue and expenditure framework (MTREF) consisting of an operating and capital budget for 2015/2016 – 2017/2018 financial years, as reflected on the below schedule be approved

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	245,816	274,262	290,608	324,308	334,063	334,063	334,063	374,063	405,315	442,708
Service charges	586,181	635,229	709,239	800,233	803,485	803,485	803,485	903,936	1,033,145	1,187,361
Investment revenue	—	—	—	6,226	6,226	6,226	6,226	9,475	10,611	11,885
Transfers recognised - operational	375,143	382,171	359,287	397,237	395,322	395,322	395,322	574,714	614,100	669,574
Other own revenue	126,062	215,973	178,536	200,148	207,345	207,345	207,345	295,264	318,654	352,548
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,333,202</b>	<b>1,507,635</b>	<b>1,537,671</b>	<b>1,728,151</b>	<b>1,746,441</b>	<b>1,746,441</b>	<b>1,746,441</b>	<b>2,157,452</b>	<b>2,381,826</b>	<b>2,664,076</b>
Employee costs	389,231	418,218	459,897	483,443	492,574	492,574	492,574	546,092	617,057	682,730
Remuneration of councillors	19,302	20,925	25,892	27,724	27,724	27,724	27,724	29,411	31,176	33,046
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Finance charges	42,703	46,639	52,684	51,682	52,563	52,563	52,563	54,340	52,233	50,195
Materials and bulk purchases	369,832	419,565	437,831	489,230	492,554	492,554	492,554	577,732	651,790	735,838
Transfers and grants	—	25,874	23,707	138,363	148,697	148,697	148,697	150,039	152,229	168,884
Other expenditure	560,428	623,529	629,735	493,600	548,282	548,282	548,282	632,875	667,498	709,995
<b>Total Expenditure</b>	<b>1,672,784</b>	<b>1,795,551</b>	<b>1,847,700</b>	<b>1,918,454</b>	<b>1,973,492</b>	<b>1,973,492</b>	<b>1,973,492</b>	<b>2,181,545</b>	<b>2,369,218</b>	<b>2,584,301</b>
<b>Surplus/(Deficit)</b>	<b>(339,582)</b>	<b>(287,916)</b>	<b>(310,030)</b>	<b>(190,302)</b>	<b>(227,050)</b>	<b>(227,050)</b>	<b>(227,050)</b>	<b>(24,093)</b>	<b>12,608</b>	<b>79,775</b>
Transfers recognised - capital	89,511	168,277	170,643	511,234	615,304	615,304	615,304	406,592	424,738	453,671
Contributions recognised - capital & contributed	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(250,071)</b>	<b>(119,639)</b>	<b>(139,386)</b>	<b>320,932</b>	<b>388,254</b>	<b>388,254</b>	<b>388,254</b>	<b>382,499</b>	<b>437,346</b>	<b>533,446</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>(250,071)</b>	<b>(119,639)</b>	<b>(139,386)</b>	<b>320,932</b>	<b>388,254</b>	<b>388,254</b>	<b>388,254</b>	<b>382,499</b>	<b>437,346</b>	<b>533,446</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>194,948</b>	<b>236,732</b>	<b>230,742</b>	<b>522,517</b>	<b>698,262</b>	<b>698,262</b>	<b>698,262</b>	<b>582,416</b>	<b>557,834</b>	<b>622,618</b>
Transfers recognised - capital	90,336	163,788	176,109	418,672	505,691	505,691	505,691	436,592	424,738	453,671
Public contributions & donations	2,886	3,904	4,072	3,150	5,042	5,042	5,042	3,058	3,425	3,836
Borrowing	33,130	28,497	15,044	40,656	108,496	108,496	108,496	35,280	—	—
Internally generated funds	68,597	40,544	35,517	60,039	79,033	79,033	79,033	107,486	129,672	165,111
<b>Total sources of capital funds</b>	<b>194,948</b>	<b>236,732</b>	<b>230,742</b>	<b>522,517</b>	<b>698,262</b>	<b>698,262</b>	<b>698,262</b>	<b>582,416</b>	<b>557,834</b>	<b>622,618</b>
<b>Financial position</b>										
Total current assets	209,942	189,657	279,661	450,748	277,765	277,765	277,765	416,433	547,243	759,069
Total non current assets	5,556,114	5,487,244	5,505,817	6,255,304	5,636,897	5,636,897	5,636,897	5,894,451	6,196,761	6,547,556
Total current liabilities	556,235	668,456	842,239	268,979	476,152	476,152	476,152	405,105	398,119	430,385
Total non current liabilities	468,813	411,415	485,594	476,309	592,446	592,446	592,446	639,573	642,331	644,182
Community wealth/Equity	4,741,008	4,597,030	4,457,644	5,960,765	4,846,064	4,846,064	4,846,064	5,266,208	5,703,554	6,232,059
<b>Cash flows</b>										
Net cash from (used) operating	169,427	237,553	267,046	567,094	574,177	574,177	574,177	673,088	746,050	858,913
Net cash from (used) investing	(177,919)	(236,531)	(226,517)	(436,529)	(608,353)	(608,353)	(608,353)	(578,026)	(552,917)	(617,111)
Net cash from (used) financing	28,511	(17,256)	36,026	60,322	91,850	91,850	91,850	25,889	(20,560)	(23,451)
<b>Cash/cash equivalents at the year end</b>	<b>35,792</b>	<b>19,558</b>	<b>96,112</b>	<b>310,163</b>	<b>153,786</b>	<b>153,786</b>	<b>153,786</b>	<b>274,737</b>	<b>447,311</b>	<b>665,662</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	49,425	33,255	110,496	348,900	169,443	169,443	169,443	291,779	465,860	685,853
Application of cash and investments	385,297	490,034	652,439	113,557	335,629	335,629	335,629	235,048	267,525	303,177
<b>Balance - surplus (shortfall)</b>	<b>(335,872)</b>	<b>(456,779)</b>	<b>(541,943)</b>	<b>235,343</b>	<b>(166,187)</b>	<b>(166,187)</b>	<b>(166,187)</b>	<b>56,731</b>	<b>198,336</b>	<b>382,676</b>
<b>Asset management</b>										
Asset register summary (WDV)	5,541,848	5,473,075	5,490,998	6,216,567	5,620,819	5,620,819	5,877,001	5,877,001	6,177,815	6,526,356
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	191,056	191,056	197,235	203,613
Renewal of Existing Assets	43,869	73,709	69,523	318,296	370,310	370,310	370,310	345,447	360,155	407,969
Repairs and Maintenance	133,564	153,645	148,020	119,283	172,915	172,915	181,561	181,561	188,872	197,407
<b>Free services</b>										
Cost of Free Basic Services provided	27,813	50,764	51,779	138,363	138,363	138,363	150,039	150,039	152,229	168,884
Revenue cost of free services provided	120,431	152,994	156,054	432,724	432,724	432,724	489,735	489,735	515,906	543,487
<b>Households below minimum service level</b>										
Water:	21	21	21	21	21	21	22	22	22	22
Sanitation/sew erage:	—	—	—	—	—	—	—	—	—	—
Energy:	16	16	16	18	18	18	20	20	20	20
Refuse:	114	114	114	117	117	117	120	120	120	120

- (c) The operating expenditure projects budget for the 2015/2016 – 2017/2018 financial years, (**Annexure 277/15**) summarised as per municipal priority as tabulated below, be approved;

DEPARTMENT	MUNICIPAL PRIORITY	Sum of 2015/2016 BUDGET ESTIMATE	Sum of 2016/2017 BUDGET FORECAST	Sum of 2017/2018 BUDGET FORECAST
Chief Operating Officer	Good Governance and Institutional Development	R 17,302,775	R 6,917,155	R 6,972,895
<b>Chief Operating Officer Total</b>		<b>R 17,302,775</b>	<b>R 6,917,155</b>	<b>R 6,972,895</b>
Community Services	Communit Development	R 1,710,000	R 1,635,000	R 1,722,500
	Community Development	R 9,670,000	R 11,120,500	R 13,378,313
	Revenue Enhancement	R 300,000	R -	
	Waste and Environmental Management	R 2,773,026	R 1,915,614	R 750,000
<b>Community Services Total</b>		<b>R 14,453,026</b>	<b>R 14,671,114</b>	<b>R 15,850,813</b>
Corporate Services	Good governance	R 15,740,000	R 16,040,000	R 16,110,000
<b>Corporate Services Total</b>		<b>R 15,740,000</b>	<b>R 16,040,000</b>	<b>R 16,110,000</b>
Council	Good Governance and Institutional Development	R 11,754,010	R 12,604,271	R 13,404,527
<b>Council Total</b>		<b>R 11,754,010</b>	<b>R 12,604,271</b>	<b>R 13,404,527</b>
Finance	Financial Management	R 15,274,580	R 16,144,416	R 12,266,939
	Revenue Enhancement	R 5,228,043	R 5,570,000	R 6,476,000
	Revenue Management	R 2,800,000	R 3,069,000	R 3,275,000
<b>Finance Total</b>		<b>R 23,302,623</b>	<b>R 24,783,416</b>	<b>R 22,017,939</b>
Infrastructure Development	Electricity Supply Management	R 5,305,320	R 5,563,613	R 4,522,240
	Good Governance and Institutional Development	R 13,081,754	R 13,636,798	R 14,468,816
	Public Transport	R 25,222,807	R 26,094,737	R 34,131,579
	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Roads and Stormwater	R 15,079,062	R 16,920,618	R 19,013,190
<b>Infrastructure Development Total</b>		<b>R 65,100,490</b>	<b>R 68,964,537</b>	<b>R 79,234,932</b>
LED, Urban, Rural and Human Settlement	Economic Development	R 21,000,000	R 22,021,025	R 34,323,563
	Integrated human settlements	R 7,484,950	R 7,894,536	R 12,580,710
	Rural Development	R 1,254,289	R 1,322,003	R 1,112,250
<b>LED, Urban, Rural and Human Settlement Total</b>		<b>R 29,739,239</b>	<b>R 31,237,564</b>	<b>R 48,016,523</b>
Municipal Manager	Good Governance and Institutional Development	R 6,639,232	R 6,988,420	R 7,451,208
<b>Municipal Manager Total</b>		<b>R 6,639,232</b>	<b>R 6,988,420</b>	<b>R 7,451,208</b>
Planning	Good Governance and Institutional Development	R 10,540,000	R 10,014,066	R 10,910,933
<b>Planning Total</b>		<b>R 10,540,000</b>	<b>R 10,014,066</b>	<b>R 10,910,933</b>
Water and Sanitation	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Sanitation	R 3,108,938	R 3,314,534	R 4,028,124
	Water Supply	R 1,507,408	R 1,957,663	R 2,215,706
	Water Supply & Sanitation	R 3,100,000	R 2,850,000	R 2,300,000
<b>Water and Sanitation Total</b>		<b>R 14,127,893</b>	<b>R 14,870,968</b>	<b>R 15,642,938</b>
Council Support	Good Governance and Institutional Development	R 500,000	R 530,000	R 561,800
<b>Council Support Total</b>		<b>R 500,000</b>	<b>R 530,000</b>	<b>R 561,800</b>
<b>Grand Total</b>		<b>R 209,199,288</b>	<b>R 207,621,511</b>	<b>R 236,174,508</b>

- (d) the capital expenditure budget for the 2015/2016 – 2017/2018 financial years, (**Annexure 278/15**, summarised per department as tabulated below, be approved;

DEPARTMENT	Sum of 2015/2016 BUDGET ESTIMATE	Sum of 2016/2017 BUDGET FORECAST	Sum of 2017/2018 BUDGET FORECAST
Chief Operating Officer	R 500,000	R 350,000	R 350,000
Community Services	R 29,942,419	R 34,441,980	R 45,769,227
Corporate Services	R 9,550,000	R 7,909,180	R 11,032,738
Council	R 1,100,000	R -	R -
Council Support	R 2,000,000	R 1,900,000	R 2,050,000
Finance	R 6,939,301	R 9,978,115	R 14,648,863
Infrastructure Development	R 272,646,887	R 227,576,043	R 188,292,733
LED, URM AND Human Settlements	R 27,140,061	R 37,029,011	R 50,616,325
Municipal Manager	R 4,228,182	R 5,536,426	R 7,722,917
Water and Sanitation	R 228,369,115	R 233,113,291	R 302,135,110
<b>Grand Total</b>	<b>R 582,415,965</b>	<b>R 557,834,047</b>	<b>R 622,617,913</b>

- (e) the annual budget for the financial year 2015/2016; and indicative allocations for the two projected outer years 2016/2017 and 2017/2018; and the multi-year and single year capital appropriations, as set-out in the new budget and reporting regulations, **Annexure 279/15** be approved as follows;

- Budgeted Financial Performance (revenue and expenditure by standard classification)
- Budgeted Financial Performance (revenue and expenditure by municipal vote)
- Budgeted Financial Performance (revenue by source and expenditure by type)
- Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source

- (f) the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in the new budget and reporting regulations in the following tables as in **Annexure 279/15**, be approved;

- Budgeted financial position
- Budgeted cash flows
- Cash backed reserves and accumulated surplus reconciliation
- Asset management
- Basic service delivery measurement

- (g) in terms of sections 24(2)(c)(i) and (ii) of the Local Government : Municipal Finance Management Act, 56 of 2003, sections 74 and 75A of the Local Government: Municipal Systems Act, 32 of 2000, as amended and the Municipal Property Rates Act, 6 of 2004, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out below, that were used to prepare the estimates of revenue by source, be considered for implementation with effect from 1 July 2015;

Description	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Proposed	2016/17 Forecast	2017/18 Forecast
Electricity	12.0%	8.0%	8.06%	12.20%	12.20%	12.20%
Water	9.75%	8.0%	8.5%	38.0%	37.0%	35.0%
Sewer	9.75%	8.0%	8.5%	-18.0%	-18.0%	-18.0%
Refuse Removal	10.25%	9.50%	10.0%	8.0%	8.4%	8.8%
Property Rates	6.5%	6.5%	0.0%	6.0%	6.0%	6.0%
Other tariffs	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Sembcorp Water and Sewerage – Domestic users	10.42%	9.0% - 13.5%	10.33%	10.31%	CPI + 3%	CPI + 3%
Sembcorp Water and Sewerage – Business users	10.42%	9.0% - 18.0%	10.33%	10.31%	CPI + 3%	CPI + 3%

- (h) the proposed individual rates and services and sundry charge tariffs and fees contained on the municipality's Tariff Booklets **Annexure 280/15** be approved for implementation with effect from 01 July 2015;
- (i) the free basic services package as per **Annexure 279/15** table A10 be approved for the medium-term 2015/2016- 2017/2018 financial years;
- (j) Council to take note that the final budget for 2015/2016 does not include capital projects roll over from 2014/2015 as the report on the final capital projects roll-over will be tabled to council not later than 25 August 2015, in accordance with section 28(2) of the Municipal Finance Management Act and Regulation 23(5) of the Municipal Budget and Reporting Regulations.

### 1.3 EXECUTIVE SUMMARY

The application of sound budget and financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and also promulgating its credit control and debt collection policy into a by law.

National Treasury's MFMA Circulars in relation to municipal budget process were used to guide the compilation of the draft 2015/2016 – 2017/2018 annual budget and MTREF. The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2015/2016 – 2017/2018 budget and medium-term revenue and expenditure framework was compiled based on the fundamentals of the municipal developmental priorities tabulated on the Integrated Developmental Plan and the following are priorities, guidelines and assumptions which guided the compilation of this draft budget.

### **1.3.1 National priorities**

#### **National priorities- Expanding public sector investment infrastructure**

The key priorities in the local government and housing function are the provision of basic services such as water and sanitation, human settlements development and local government infrastructure.

In addition, creating decent employment opportunities remains a national priority and the municipality need to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme (EPWP).

### **1.3.2 Micro environment factors – economic outlook**

From a macro environment perspective, the economic performance over the medium-term looks bleak as a slow economic growth trends has been forecasted and the reflections of this unfavourable economic growth condition will impact negatively on all spheres of government. The revenue base of the municipality will be under pressure as no new revenues will be derived at the moment due to the slow economic growth and local circumstances.

As a consequence of the distress economy a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

The South African economic growth outlook in 2014 to 2017 is expected to be as follows;

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Real GDP	2.2%	1.4%	2.0%	2.4%	3.0%

In terms of the headline inflation forecast over the medium-term, the consumer price index is expected to bridge the 3 to 6 per cent inflation target set by the South African Reserve Bank over the medium-term. The national economic growth will be under pressure and as the economy will be growing on an average of 2.5 per cent over the medium-term which is far less than the annual national economic growth target of 5 to 7 per cent set by the National Development Plan. The slow economic growth impacts negatively on the reduction of poverty, inequality and unemployment.

The forecasted headline inflation for medium-term will be as follows;

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Inflation Outlook	5.6%	6.2%	4.8%	5.5%	5.3%

### 1.3.3 Revenue enhancement assumptions

The municipality has recently appointed a service provider to assist in developing an appropriate cost reflective structure on water and sanitation tariffs to phase in the necessary tariff increase in a manner that will spread the impact on consumer over a period of time as prescribed in MFMA Circular 58. The service provider will further ensure that the timelines or deliverables per categories below are met

#### (a) Grants allocations

The total grants allocated to the municipality in terms of the 2015 Division of Revenue Bill (DoRB) amounts R3 143 billion over the medium-term, reflecting an increase of R264 million (8%) and the total allocation for 2015/2016 budget year is R981 million. The table below provides details regarding the 2015/2016 grants allocation over the medium. The total grant in-kind allocation over the medium-term amounts to R313 million.

The table below provides details regarding the 2015/2016 grants allocation over the medium.

DESCRIPTION GRANT	Forecast 2014/2015	Forecast 2015/2016	Forecast 2016/2017	Forecast 2017/2018
<b>OPERATING GRANT</b>	14%	19%	9%	8%
Equitable Share	R 388,663,000	R 462,073,000	R 503,877,000	R 544,750,000
Municipal Sytems Improvement Grant (MSIG)	R 934,000	R 930,000	R 957,000	R 1,033,000
Financial Management Grant (FMG)	R 1,600,000	R 1,600,000	R 1,625,000	R 1,700,000
Expanded Public Works Programme	R 6,040,000	R 6,899,000	R -	R -
Water Service Operating Grant				
<b>TOTAL OPERATIONAL ALLOCATION</b>	<b>R 397,237,000</b>	<b>R 471,502,000</b>	<b>R 506,459,000</b>	<b>R 547,483,000</b>
<b>Growth (%)</b>	<b>15%</b>	<b>19%</b>	<b>7%</b>	<b>8%</b>
<b>CAPITAL GRANTS</b>				
Municipal Infrastructure Grant (MIG)	R 286,043,000	R 298,264,000	R 310,919,000	R 329,889,000
Municipal Water Infrastructure Grant (MWIG)	R -	R 55,000,000	R 47,372,000	R 42,550,000
Neighbourhood Development Partnership Grant	R 5,000,000	R 20,000,000	R 30,000,000	R 35,000,000
Public Transport Infrastructure and Systems Grant	R 195,191,000	R 116,540,000	R 122,088,000	R 132,498,000
Water Service Operating Subsidy Grant	R 15,000,000	R 20,000,000	R 15,000,000	R 20,825,000
Intergrated National Electrification Programme	R 10,000,000	R -	R 7,000,000	R 15,000,000
Electricity Demand Side Management	R -	R -	R -	
<b>TOTAL CAPITAL ALLOCATION</b>	<b>R 511,234,000</b>	<b>R 509,804,000</b>	<b>R 532,379,000</b>	<b>R 575,762,000</b>
<b>Growth (%)</b>	<b>29%</b>	<b>0%</b>	<b>-4%</b>	<b>8%</b>
<b>TOTAL ALLOCATION</b>	<b>908,471,000</b>	<b>981,306,000</b>	<b>1,038,838,000</b>	<b>1,123,245,000</b>
<b>Growth (%)</b>	<b>22%</b>	<b>8%</b>	<b>6%</b>	<b>8%</b>
<b>IN-KIND ALLOCATIONS</b>				
Regional Bulk Infrastructure	-	30,000,000	30,000,000	48,000,000
Intergrated National Electrification Programme	76,117,000	50,438,000	74,115,000	77,321,000
Water Services Operating Subsidy	300,000			
Municipal Water Infrastructure Grant	18,151,000			
Neighbourhood Development Partnership Grant	1,567,000	1,785,000	600,000	600,000
<b>TOTAL IN-KIND ALLOCATION</b>	<b>96,135,000</b>	<b>82,223,000</b>	<b>104,715,000</b>	<b>125,921,000</b>

(b) Revising of rates, tariffs and other charges

The revision of the rates, tariffs and other charges for the 2015/2016 budgets and MTREF should take into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality.

To ensure the municipality continue to efficiently deliver services, eradicate backlogs in term of services and social infrastructure, maintain, upgrade and renewal of the existing infrastructure as well as ensuring



financial stability and long-term sustainability, the increase of rates, tariffs and other charges over the medium-term is proposed to be as follows;

<b>Description</b>	<b>2012/13 Actual</b>	<b>2013/14 Actual</b>	<b>2014/15 Actual</b>	<b>2015/16 Proposed</b>	<b>2016/17 Forecast</b>	<b>2017/18 Forecast</b>
Electricity	12.0%	8.0%	8.06%	12.20%	12.20%	12.20%
Water	9.75%	8.0%	8.5%	38.0%	37.0%	35.0%
Sewer	9.75%	8.0%	8.5%	-18.0%	-18.0%	-18.0%
Refuse Removal	10.25%	9.50%	10.0%	8.0%	8.4%	8.8%
Property Rates	6.5%	6.5%	0.0%	6.0%	6.0%	6.0%
Other tariffs	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Sembcorp Water and Sewerage – Domestic users	10.42%	9.0% - 13.5%	10.33%	10.31%	CPI + 3%	CPI + 3%
Sembcorp Water and Sewerage – Business users	10.42%	9.0% - 18.0%	10.33%	10.31%	CPI + 3%	CPI + 3%

The above table reflects that the average increase on rates and service charge tariffs for 2015/2016 in the municipality serviced areas will be 9.24 per cent and 9.06 per cent over the medium-term.

Sembcorp tariffs increase is determined in accordance with tariff model stipulated on the Service Agreement Three (3) which takes the current consumer price indexes (CPI) per commodity plus a margin of 3% and other economic factors into account.

The municipality should ensure the revision of its electricity tariffs is in line with the National Energy Regulator of South Africa (NERSA) guidelines of 12.20 per cent increase in 2015/2016. The recent reapplication by Eskom to have an additional electricity tariff increase of 12.31 per cent in 2015/2016 in addition to the 12.69 per cent approved by NERSA poses a serious financial risk to the municipality.

In ensuring the municipal tariffs and fees for services are cost reflective, the following processes will be conducted by the municipality;

- (i) The water and sanitation tariffs and fees which are cost-reflective (A new water and sanitation cost structure based on the activity based costing system) will be implemented in 2015/2016 resulting in an increase of water tariffs by an average of 36 per cent over the medium-term and decrease in sanitation tariffs by an average of 18 per cent over the next five (5) years.
- (ii) The electricity cost structure will be reviewed utilising the activity based costing system and the revised cost structure and cost reflective tariffs will be implemented in 2016/2017.
- (iii) The solid waste cost-reflective tariffs will be implemented in 2016/2017 when a new solid waste cost structure based on the activity based costing system is implemented.
- (iv) The Licensing function will be subjected to a cost structure review by 30 July 2015 and the agency agreement with the Provincial Department of Safety and Security will be reviewed in order to recovery the full cost of the rendering the services on behalf of the Department through the agency fees.

- (c) The ability of municipality to collect revenue (payment levels)



The payment level trends for the past three years and the forecast for the next mid-term, including current financial year estimate is as follows;

Description	Actual 2012/13	Actual 2013/14	Estimate 2014/15	Estimate 2015/16	Forecast 2016/17	Forecast 2017/18
Payment Levels	93%	95%	93%	95%	95%	95%

### 1.3.4 Operating expenditure guidelines and assumptions

The operating expenditure will increase by an average of 7.19 per cent in 2015/16, 8.14 percent in 2016/17 and 8.1 percent in 2017/18 with an exception of the key cost or expenditure drivers stated on the table below;

Operating Expenditure:	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Employees Related Cost	6.85%	6.80%	6.00%	6.90%	6.70%
Councillors Remuneration	5.80%	6.10%	6.00%	6.00%	6.00%
Contracted Services	7.49%	6.28%	5.08%	6.28%	6.13%
Bulk Purchases: Electricity	9.00%	8.06%	14.24%	14.24%	14.24%
Bulk Purchases: Water	5.80%	8.30%	6.50%	8.10%	7.90%
Other Materials	8.80%	8.44%	7.12%	8.40%	8.24%
Transfers and Grants	6.10%	7.68%	6.28%	7.62%	7.45%
Other Expenditure	6.10%	7.68%	6.28%	7.62%	7.45%
<b>Average Increase %</b>	<b>6.99%</b>	<b>7.42%</b>	<b>7.19%</b>	<b>8.14%</b>	<b>8.01%</b>

### 1.3.5 Capital budget over the medium - term

The funding of the capital expenditure will be sourced from conditional grants allocations, external loans (borrowings) and internal reserves. No new external loans (borrowings) will be sourced during the medium-term. The borrowings funding source in 2014/2015 will be a portion of the external loan of R160 million taken in October 2013.

### 1.3.6 Provision of free basic services provision to the indigent households

The Indigent Policy of the municipality as approved by Council in 2003 is in line with the National Policy on provision of Free Basic Services with its objective of providing free access to basic services to the poor and enhancing the fight against poverty. This policy is being reviewed to be in line with the requirements proposed by the National Department of Cooperative Governance and Traditional Affairs on an annual basis

The following assumptions were also taken into consideration towards the provision of free basic services;

- (a) Reducing the impact of poverty through free basic service provision;
- (b) Protecting the poor from the harsh economic realities;

The municipality will be offering the following free basic services:

Free Basic Water	6kl per month
Free Basic Electricity	50kW per month
Free Basic refuse removal	100 % subsidy on tariff
Rebate on property rates	Rebates ranging from 25% to 100% and first R80 000.00 market value being 100% exempted from rates.
Free Basic Sewer	6kl per month

### Other considerations

- (a) The implementation of National Treasury Standard of Chart of Accounts (SCOA) by all municipalities on 01 July 2017.
- (b) The re-demarcation of the municipal boundary (proposed amalgamation with uMjindi Local Municipality).
- (c) To ensure maximum participation of the nine (9) Traditional Leaders Council in the municipal council business a sitting allowance and re-imbursement of travelling expenses will be introduced in line with the Ehlanzeni District Municipality's policy.
- (d) As part of the process of the implementation of the turnaround strategy to improve financial performance and cashflow, a twelve (12) point plan was noted by National Treasury as a concern for implementation.

## 1.4 OPERATING REVENUE FRAMEWORK

For Mbombela Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- (a) National Treasury's guidelines and macroeconomic policy;
- (b) Growth in the City and continued economic development;
- (c) Efficient revenue management, which aims to ensure a 91 per cent annual collection rate for property rates and other key service charges such as electricity, water, sewerage and refuse removal services;
- (d) Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- (e) Achievement of full cost recovery of specific user charges especially in relation to trading services;
- (f) Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- (g) The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- (h) Increase ability to extend new services and recover costs;
- (i) The municipality's Indigent Policy and rendering of free basic services; and
- (j) Tariff policies of the municipality.

The following table is a summary of the 2015/16 annual budget and MTREF – Revenue classified by main source:

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	245,816	274,262	290,608	324,308	334,063	334,063	334,063	374,063	405,315	442,708
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	493,156	536,399	600,817	681,348	681,348	681,348	681,348	765,628	862,817	976,335
Service charges - water revenue	2	25,453	24,667	27,482	30,074	30,136	30,136	30,136	42,890	69,935	104,096
Service charges - sanitation revenue	2	14,827	15,134	15,874	19,653	19,734	19,734	19,734	16,548	13,700	11,370
Service charges - refuse revenue	2	52,745	59,029	65,066	69,158	72,267	72,267	72,267	78,870	86,693	95,560
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		16,431	18,266	18,592	18,849	21,224	21,224	21,224	28,061	31,428	35,199
Interest earned - external investments					6,226	6,226	6,226	6,226	9,475	10,611	11,885
Interest earned - outstanding debtors		22,059	18,278	26,495	27,716	16,322	16,322	16,322	8,447	9,461	10,596
Dividends received		–	–		–	–	–	–	–	–	–
Fines		2,982	16,685	15,327	4,012	14,117	14,117	14,117	15,811	17,708	19,833
Licences and permits		7	21	4	50	2	2	2	2	2	3
Agency services		22,676	24,835	28,456	119,452	125,362	125,362	125,362	164,589	184,340	211,991
Transfers recognised - operational		375,143	382,171	359,287	397,237	395,322	395,322	395,322	574,714	614,100	669,574
Other revenue	2	61,908	137,889	87,845	26,149	26,399	26,399	26,399	73,964	70,798	69,420
Gains on disposal of PPE		–	–	1,816	3,920	3,920	3,920	3,920	4,390	4,917	5,507
Total Revenue (excluding capital transfers and contributions)		1,333,202	1,507,635	1,537,671	1,728,151	1,746,441	1,746,441	1,746,441	2,157,452	2,381,826	2,664,076

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality will receive significant portion of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R904 million indicating an increase of R 104 million nine (13) per cent in 2015/2016 financial year and increases to R1 187 billion over the medium-term. The revenue from electricity service charge remains relatively high at R766 million (35) per cent of the total operating revenue budget and other service charge contributes 6 per cent.

The revenue from property rates will amount to R374 million after taking into account rates rebates in terms of the rates policy amounting to R168 million in 2015/2016 financial year and increases to R443 million over the medium-term. The property rates revenue contributes about 17 per cent of the total operating revenue budget.

Operating grants allocation comprising of equitable share and other small grants contributes 27 percent to the total operating revenue budget and will amount to R575 million in 2015/2016 financial year and increases to R670 million over the medium-term.

The other revenue amounts to R305 million. The other revenue comprise of revenue from agency fees of R165 million, interest from outstanding debtors and investments of R18 million, rental of municipal properties and facilities of R28 million and sundry income of R94 million. The other revenue contributes about 14 per cent of the total operating revenue budget.

The following table gives a breakdown of the various operating and capital grants and subsidies allocations to the municipality over the medium term:

MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		306,481	327,061	355,505	397,237	395,322	395,322	471,502	506,459	547,483
Local Government Equitable Share		279,162	312,298	342,190	388,663	386,748	386,748	462,073	503,877	544,750
Water Services Operating Subsidy		14,650	3,009	–	–	–	–	6,899	–	–
Municipal Systems Improvement		1,119	800	890	1,600	1,600	1,600	930	957	1,033
Finance Management		1,516	1,500	1,550	934	934	934	1,600	1,625	1,700
Integrated National Electrification Programme		3,061	–	–	–	–	–	–	–	–
EPWP Incentive		4,515	2,954	1,695	6,040	6,040	6,040	–	–	–
Other trans/grants [2010 Host City, MIG, PTIS, DR		2,458	6,500	9,180	–	–	–	–	–	–
<b>Provincial Government:</b>		–	1,000	–	–	–	–	–	–	–
Housing		–	1,000	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other trans/grants [2010 Host City, MIG, PTIS, DR		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	5	306,481	328,061	355,505	397,237	395,322	395,322	471,502	506,459	547,483
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		200,031	329,765	381,766	511,234	398,338	398,338	509,804	532,379	575,762
Municipal Infrastructure Grant (MIG)		155,031	188,062	241,164	286,043	182,347	182,347	298,264	310,919	329,889
Public Transport and Systems		45,000	98,703	123,762	195,191	189,306	189,306	116,540	122,088	132,498
Neighbourhood Development Partnership		–	–	–	5,000	5,000	5,000	20,000	30,000	35,000
Regional Bulk Infrastructure		–	6,500	9,180	15,000	15,000	15,000	–	–	–
		–	–	–	–	–	–	–	–	–
WSIG, WSOSG & INEP EDSM & Disaster		–	36,500	7,660	10,000	6,686	6,686	75,000	69,372	78,375
<b>Provincial Government:</b>		–	0	0	–	–	–	–	–	–
Other capital transfers/grants [insert description]		–	0	0	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		18	16	1	–	–	–	–	–	–
[National Lottery]		18	16	1	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Total Capital Transfers and Grants</b>	5	200,049	329,781	381,767	511,234	398,338	398,338	509,804	532,379	575,762
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		506,530	657,842	737,272	908,471	793,660	793,660	981,306	1,038,838	1,123,245

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the

impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

## Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

MP322 Mbombela - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		407.05	268.77	286.29	286.29	286.29	286.29	6.0%	303.47	321.68	340.98
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		930.00	1,043.50	1,114.87	1,218.85	1,218.85	1,218.85	12.2%	1,365.11	1,531.66	1,531.66
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	10.0%	72.89	81.78	81.78
Water: Consumption		240.00	263.52	284.64	308.83	308.83	308.83	10.0%	339.72	373.69	373.69
Sanitation		219.60	241.20	260.40	282.53	282.53	282.53	(18.0%)	182.86	149.95	122.96
Refuse removal		107.00	117.97	128.19	141.01	141.01	141.01	8.0%	152.29	165.14	165.54
Other		—	—	—	—	—	—	—	—	—	—
<b>sub-total</b>		<b>1,955.15</b>	<b>1,991.51</b>	<b>2,135.46</b>	<b>2,303.78</b>	<b>2,303.78</b>	<b>2,303.78</b>	<b>4.9%</b>	<b>2,416.33</b>	<b>2,623.89</b>	<b>2,616.60</b>
VAT on Services		—	—	—	—	—	—	—	—	—	—
<b>Total large household bill:</b>		<b>1,955.15</b>	<b>1,991.51</b>	<b>2,135.46</b>	<b>2,303.78</b>	<b>2,303.78</b>	<b>2,303.78</b>	<b>4.9%</b>	<b>2,416.33</b>	<b>2,623.89</b>	<b>2,616.60</b>
<b>% increase/-decrease</b>			<b>1.9%</b>	<b>7.2%</b>	<b>7.9%</b>	<b>—</b>	<b>—</b>	<b>4.9%</b>	<b>4.9%</b>	<b>8.6%</b>	<b>(0.3%)</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		290.75	182.07	193.94	193.94	193.94	193.94	6.0%	205.58	217.91	230.99
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		385.00	444.50	473.86	526.17	526.17	526.17	12.2%	590.36	662.39	743.20
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	10.0%	72.89	80.18	88.19
Water: Consumption		190.00	208.62	225.34	244.49	244.49	244.49	10.0%	268.94	295.84	325.42
Sanitation		173.85	190.95	206.15	223.67	223.67	223.67	(18.0%)	182.86	149.95	122.96
Refuse removal		107.00	78.39	85.84	94.42	94.42	94.42	8.0%	101.98	110.58	120.21
Other		—	—	—	—	—	—	—	—	—	—
<b>sub-total</b>		<b>1,198.10</b>	<b>1,161.08</b>	<b>1,246.20</b>	<b>1,348.96</b>	<b>1,348.96</b>	<b>1,348.96</b>	<b>5.5%</b>	<b>1,422.61</b>	<b>1,516.85</b>	<b>1,630.96</b>
VAT on Services		—	—	—	—	—	—	—	—	—	—
<b>Total small household bill:</b>		<b>1,198.10</b>	<b>1,161.08</b>	<b>1,246.20</b>	<b>1,348.96</b>	<b>1,348.96</b>	<b>1,348.96</b>	<b>5.5%</b>	<b>1,422.61</b>	<b>1,516.85</b>	<b>1,630.96</b>
<b>% increase/-decrease</b>			<b>(3.1%)</b>	<b>7.3%</b>	<b>8.2%</b>	<b>—</b>	<b>—</b>	<b>5.5%</b>	<b>5.5%</b>	<b>6.6%</b>	<b>7.5%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		174.45	95.37	101.59	101.59	101.59	101.59	6.0%	107.69	114.15	121.00
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		31.50	—	—	—	—	—	—	—	—	—
Water: Basic levy		—	—	—	—	—	—	—	—	—	—
Water: Consumption		140.00	—	—	—	—	—	—	—	—	—
Sanitation		128.10	—	—	—	—	—	—	—	—	—
Refuse removal		—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
<b>sub-total</b>		<b>474.05</b>	<b>95.37</b>	<b>101.59</b>	<b>101.59</b>	<b>101.59</b>	<b>101.59</b>	<b>6.0%</b>	<b>107.69</b>	<b>114.15</b>	<b>121.00</b>
VAT on Services		—	—	—	—	—	—	—	—	—	—
<b>Total small household bill:</b>		<b>474.05</b>	<b>95.37</b>	<b>101.59</b>	<b>101.59</b>	<b>101.59</b>	<b>101.59</b>	<b>6.0%</b>	<b>107.69</b>	<b>114.15</b>	<b>121.00</b>
<b>% increase/-decrease</b>			<b>(79.9%)</b>	<b>6.5%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>

## 1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserved to fund any deficit;

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the IDP priorities;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/2016 budget and MTREF (classified per main type of operating expenditure):

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Expenditure By Type</b>											
Employee related costs	2	389,231	418,218	459,897	483,443	492,574	492,574	492,574	540,969	618,270	703,797
Remuneration of councillors		19,302	20,925	25,892	27,724	27,724	27,724	27,724	29,411	31,176	33,046
Debt impairment	3	49,013	81,140	48,539	101,209	91,225	91,225	91,225	73,557	70,837	68,552
Depreciation & asset impairment	2	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Finance charges		42,703	46,639	52,684	51,682	52,563	52,563	52,563	54,340	52,233	50,195
Bulk purchases	2	369,832	419,565	437,831	446,195	446,682	446,682	446,682	524,375	594,654	679,333
Other materials	8				43,035	45,872	45,872	45,872	50,161	53,733	57,559
Contracted services		168,686	206,545	244,594	218,204	290,556	290,556	290,556	338,764	354,090	365,667
Transfers and grants		-	25,874	23,707	138,363	148,697	148,697	148,697	120,039	119,515	133,516
Other expenditure	4, 5	340,231	334,844	336,602	174,187	166,501	166,501	166,501	211,467	228,754	244,977
Loss on disposal of PPE		2,497	1,001	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1,672,784</b>	<b>1,795,551</b>	<b>1,847,700</b>	<b>1,918,454</b>	<b>1,973,492</b>	<b>1,973,492</b>	<b>1,973,492</b>	<b>2,134,140</b>	<b>2,320,497</b>	<b>2,540,254</b>

- The employees' remuneration cost will amount to R546 million in 2015/2016 financial year due to an annual increase of R63 million (13 per cent) and R34 million of the R63 million is allocated for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 26 per cent. The employees remuneration cost will increase to R683 million in 2017/2018 financial year and the expenditure to the total operating budget will be 28 per cent.
- The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and will increase to R468 million and bulk water purchases from Water Boards and Sembcorp of R60 million, will increase to a total budget of R528 million due to an average increase of 14.24 per cent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2015. The bulk purchase expenditure make up 24 per cent of the total operating expenditure budget.



- (c) The depreciation cost will be R191 million make up 9 per cent of the total operating expenditure and is about 3 per cent of the total assets carrying value of R5 837 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.
- (d) The contracted and other expenditure increases by 11 per cent to R559 million in 2015/2016 and make up 20 per cent of the total operating expenditure budget. The increase on the contracted and other expenditure is due to the allocation of R209 million in 2015/2016 for operating programmes and projects that are in line with the municipal development priorities. The breakdown of the total expenditure for operating programmes and projects per municipal development priorities is as tabulated below, detailed list of operating projects is attached as **Annexure 277/15**;

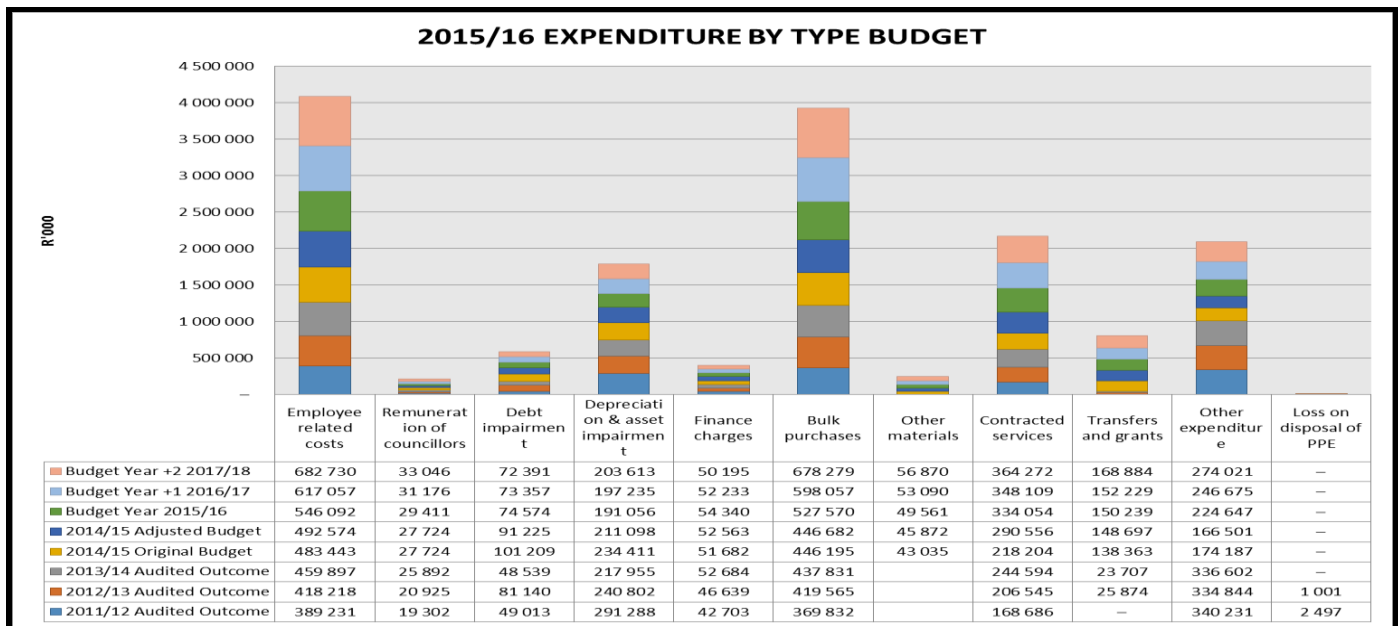
DEPARTMENT	MUNICIPAL PRIORITY	Sum of 2015/2016 BUDGET ESTIMATE	Sum of 2016/2017 BUDGET FORECAST	Sum of 2017/2018 BUDGET FORECAST
Chief Operating Officer	Good Governance and Institutional Development	R 17,302,775	R 6,917,155	R 6,972,895
<b>Chief Operating Officer Total</b>		<b>R 17,302,775</b>	<b>R 6,917,155</b>	<b>R 6,972,895</b>
Community Services	Communit Development	R 1,710,000	R 1,635,000	R 1,722,500
	Community Development	R 9,670,000	R 11,120,500	R 13,378,313
	Revenue Enhancement	R 300,000	R -	
	Waste and Environmental Management	R 2,773,026	R 1,915,614	R 750,000
<b>Community Services Total</b>		<b>R 14,453,026</b>	<b>R 14,671,114</b>	<b>R 15,850,813</b>
Corporate Services	Good governance	R 15,740,000	R 16,040,000	R 16,110,000
<b>Corporate Services Total</b>		<b>R 15,740,000</b>	<b>R 16,040,000</b>	<b>R 16,110,000</b>
Council	Good Governance and Institutional Development	R 11,754,010	R 12,604,271	R 13,404,527
<b>Council Total</b>		<b>R 11,754,010</b>	<b>R 12,604,271</b>	<b>R 13,404,527</b>
Finance	Financial Management	R 15,274,580	R 16,144,416	R 12,266,939
	Revenue Enhancement	R 5,228,043	R 5,570,000	R 6,476,000
	Revenue Management	R 2,800,000	R 3,069,000	R 3,275,000
<b>Finance Total</b>		<b>R 23,302,623</b>	<b>R 24,783,416</b>	<b>R 22,017,939</b>
Infrastructure Development	Electricity Supply Management	R 5,305,320	R 5,563,613	R 4,522,240
	Good Governance and Institutional Development	R 13,081,754	R 13,636,798	R 14,468,816
	Public Transport	R 25,222,807	R 26,094,737	R 34,131,579
	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Roads and Stormwater	R 15,079,062	R 16,920,618	R 19,013,190
<b>Infrastructure Development Total</b>		<b>R 65,100,490</b>	<b>R 68,964,537</b>	<b>R 79,234,932</b>
LED,Urban,Rural and Human Settlement	Economic Development	R 21,000,000	R 22,021,025	R 34,323,563
	Integrated human settlements	R 7,484,950	R 7,894,536	R 12,580,710
	Rural Development	R 1,254,289	R 1,322,003	R 1,112,250
<b>LED,Urban,Rural and Human Settlement Total</b>		<b>R 29,739,239</b>	<b>R 31,237,564</b>	<b>R 48,016,523</b>
Municipal Manager	Good Governance and Institutional Development	R 6,639,232	R 6,988,420	R 7,451,208
<b>Municipal Manager Total</b>		<b>R 6,639,232</b>	<b>R 6,988,420</b>	<b>R 7,451,208</b>
Planning	Good Governance and Institutional Development	R 10,540,000	R 10,014,066	R 10,910,933
<b>Planning Total</b>		<b>R 10,540,000</b>	<b>R 10,014,066</b>	<b>R 10,910,933</b>
Water and Sanitation	Revenue Enhancement	R 6,411,547	R 6,748,771	R 7,099,108
	Sanitation	R 3,108,938	R 3,314,534	R 4,028,124
	Water Supply	R 1,507,408	R 1,957,663	R 2,215,706
	Water Supply & Sanitation	R 3,100,000	R 2,850,000	R 2,300,000
<b>Water and Sanitation Total</b>		<b>R 14,127,893</b>	<b>R 14,870,968</b>	<b>R 15,642,938</b>
Council Support	Good Governance and Institutional Development	R 500,000	R 530,000	R 561,800
<b>Council Support Total</b>		<b>R 500,000</b>	<b>R 530,000</b>	<b>R 561,800</b>
<b>Grand Total</b>		<b>R 209,199,288</b>	<b>R 207,621,511</b>	<b>R 236,174,508</b>

- (e) The municipality has allocated an amount of R150 million in the 2015/2016 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality and the table indicates the detailed breakdown of the free basic services.

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		60,000	60,000	60,000	61,200	61,200	61,200	62,424	62,424	62,424
Piped water inside yard (but not in dwelling)		45,000	45,000	45,000	45,900	45,900	45,900	46,818	46,818	46,818
Using public tap (at least min.service level)	2	—	—	—	—	—	—	—	—	—
Other water supply (at least min.service level)	4	36,000	36,000	36,000	36,720	36,720	36,720	37,454	37,454	37,454
<i>Minimum Service Level and Above sub-total</i>		141,000	141,000	141,000	143,820	143,820	143,820	146,696	146,696	146,696
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	21,000	21,000	21,000	21,420	21,420	21,420	21,848	21,848	21,848
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		21,000	21,000	21,000	21,420	21,420	21,420	21,848	21,848	21,848
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,545	168,545	168,545
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		45,000	45,000	45,000	45,450	45,450	45,450	45,905	45,905	45,905
Flush toilet (with septic tank)		6,480	6,480	6,480	6,480	6,480	6,480	6,545	6,545	6,545
Chemical toilet		2,430	2,430	2,430	2,454	2,454	2,454	2,479	2,479	2,479
Pit toilet (ventilated)		70,632	70,632	70,632	71,338	71,338	71,338	72,052	72,052	72,052
Other toilet provisions (> min.service level)		37,458	37,458	37,458	39,517	39,517	39,517	41,474	41,474	41,474
<i>Minimum Service Level and Above sub-total</i>		162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
<b>Energy:</b>										
Electricity (at least min.service level)		145,800	145,800	145,800	147,258	147,258	147,258	148,731	148,731	148,731
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		145,800	145,800	145,800	147,258	147,258	147,258	148,731	148,731	148,731
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min.service level)		—	—	—	—	—	—	—	—	—
Other energy sources		16,200	16,200	16,200	17,982	17,982	17,982	19,723	19,723	19,723
<i>Below Minimum Service Level sub-total</i>		16,200	16,200	16,200	17,982	17,982	17,982	19,723	19,723	19,723
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
<b>Refuse:</b>										
Removed at least once a week		47,628	47,628	47,628	48,104	48,104	48,104	48,585	48,585	48,585
<i>Minimum Service Level and Above sub-total</i>		47,628	47,628	47,628	48,104	48,104	48,104	48,585	48,585	48,585
Removed less frequently than once a week		1,944	1,944	1,944	1,963	1,963	1,963	1,983	1,983	1,983
Using communal refuse dump		2,754	2,754	2,754	2,782	2,782	2,782	2,809	2,809	2,809
Using own refuse dump		96,552	96,552	96,552	97,518	97,518	97,518	98,493	98,493	98,493
Other rubbish disposal		13,122	13,122	13,122	14,873	14,873	14,873	16,584	16,584	16,584
No rubbish disposal		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		114,372	114,372	114,372	117,136	117,136	117,136	119,869	119,869	119,869
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773
Sanitation (free minimum level service)		161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773
Electricity/other energy (50kwh per household per month)		5,625	10,215	10,419	13,446	13,446	13,446	14,158	14,441	14,874
Refuse (removed at least once a week)		1,219	2,207	2,251	13,446	13,446	13,446	14,158	14,441	14,874
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		21,778	39,323	40,109	72,790	72,790	72,790	82,499	82,663	97,231
Sanitation (free sanitation service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		4,500	9,271	9,457	34,819	34,819	34,819	35,863	36,939	38,047
Refuse (removed once a week)		1,535	2,170	2,213	30,754	30,754	30,754	31,677	32,627	33,606
<b>Total cost of FBS provided (minimum social package)</b>		27,813	50,764	51,779	138,363	138,363	138,363	150,039	152,229	168,884
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		—	—	—	—	—	—	—	—	—
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		3,019	4,981	5,080	5,304	5,304	5,304	5,570	5,848	6,141
Property rates (other exemptions, reductions and rebates)		77,651	108,690	110,864	121,433	121,433	121,433	162,878	172,707	183,128
Water		32,198	39,323	40,109	149,883	149,883	149,883	157,377	165,246	173,509
Sanitation		581	—	—	149,883	149,883	149,883	157,377	165,246	173,509
Electricity/other energy		5,355	—	—	6,221	6,221	6,221	6,532	6,858	7,201
Refuse		1,627	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
<b>Total revenue cost of free services provided (total social package)</b>	6	120,431	152,994	156,054	432,724	432,724	432,724	489,735	515,906	543,487



The following graph gives a breakdown of the main expenditure categories for the 2015/16 financial year as a percentage:



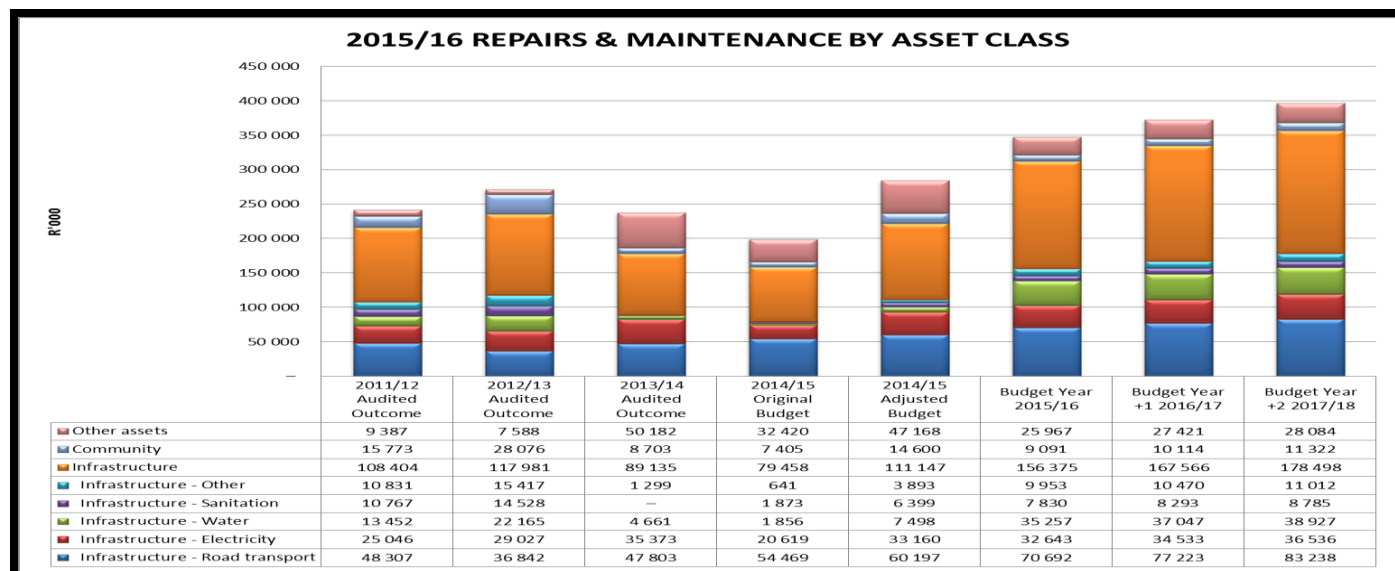
During the compilation of the 2015/16 MTREF, operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality is still having a challenge in separating the portion of employee related cost for repairs and maintenance; as a result this allocation is part of the overall employee related cost for council.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Depreciation & asset impairment		291,288	240,802	217,955	234,411	211,098	211,098	191,056	197,235	203,613
Repairs and Maintenance by Asset Class	3	133,564	153,645	148,020	119,283	172,915	172,915	162,939	175,083	186,280
Infrastructure - Road transport		48,307	36,842	47,803	54,469	60,197	60,197	70,692	77,223	83,238
Infrastructure - Electricity		25,046	29,027	35,373	20,619	33,160	33,160	32,643	34,533	36,536
Infrastructure - Water		13,452	22,165	4,661	1,856	7,498	7,498	7,873	8,267	8,680
Infrastructure - Sanitation		10,767	14,528	—	1,873	6,399	6,399	6,719	7,055	7,408
Infrastructure - Other		10,831	15,417	1,299	641	3,893	3,893	9,953	10,470	11,012
Infrastructure		108,404	117,981	89,135	79,458	111,147	111,147	127,880	137,548	146,875
Community		15,773	28,076	8,703	7,405	14,600	14,600	9,091	10,114	11,322
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6, 7	9,387	7,588	50,182	32,420	47,168	47,168	25,967	27,421	28,084
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>424,852</b>	<b>394,447</b>	<b>365,974</b>	<b>353,694</b>	<b>384,013</b>	<b>384,013</b>	<b>353,996</b>	<b>372,318</b>	<b>389,893</b>

For the 2015/2016 financial year, 36 percent or (R128 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 17 percent (R63 million), followed by Electricity by 9.22 percent (R33 million), Other assets at 7.33 percent (R26 million), Infrastructure other at 2.8 percent (R10 million).

Below is the graphic illustration on repairs and maintenance by asset class;



### Free basic services: basic social services package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 14 158 or more indigent households during the 2015/16 financial year, a process reviewed annually. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Table A10 below reflects the cost of the social package and the revenue foregone due to the implementation of the indigent policy:

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		60,000	60,000	60,000	61,200	61,200	61,200	62,424	62,424	62,424
Piped water inside yard (but not in dwelling)		45,000	45,000	45,000	45,900	45,900	45,900	46,818	46,818	46,818
Using public tap (at least min.service level)	2	—	—	—	—	—	—	—	—	—
Other water supply (at least min.service level)	4	36,000	36,000	36,000	36,720	36,720	36,720	37,454	37,454	37,454
Minimum Service Level and Above sub-total		141,000	141,000	141,000	143,820	143,820	143,820	146,696	146,696	146,696
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	21,000	21,000	21,000	21,420	21,420	21,420	21,848	21,848	21,848
No water supply		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		21,000	21,000	21,000	21,420	21,420	21,420	21,848	21,848	21,848
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,545	168,545	168,545
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		45,000	45,000	45,000	45,450	45,450	45,450	45,905	45,905	45,905
Flush toilet (with septic tank)		6,480	6,480	6,480	6,480	6,480	6,480	6,545	6,545	6,545
Chemical toilet		2,430	2,430	2,430	2,454	2,454	2,454	2,479	2,479	2,479
Pit toilet (ventilated)		70,632	70,632	70,632	71,338	71,338	71,338	72,052	72,052	72,052
Other toilet provisions (> min.service level)		37,458	37,458	37,458	39,517	39,517	39,517	41,474	41,474	41,474
Minimum Service Level and Above sub-total		162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
<b>Energy:</b>										
Electricity (at least min.service level)		145,800	145,800	145,800	147,258	147,258	147,258	148,731	148,731	148,731
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		145,800	145,800	145,800	147,258	147,258	147,258	148,731	148,731	148,731
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		16,200	16,200	16,200	17,982	17,982	17,982	19,723	19,723	19,723
Below Minimum Service Level sub-total		16,200	16,200	16,200	17,982	17,982	17,982	19,723	19,723	19,723
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
<b>Refuse:</b>										
Removed at least once a week		47,628	47,628	47,628	48,104	48,104	48,104	48,585	48,585	48,585
Minimum Service Level and Above sub-total		47,628	47,628	47,628	48,104	48,104	48,104	48,585	48,585	48,585
Removed less frequently than once a week		1,944	1,944	1,944	1,963	1,963	1,963	1,983	1,983	1,983
Using communal refuse dump		2,754	2,754	2,754	2,782	2,782	2,782	2,809	2,809	2,809
Using own refuse dump		96,552	96,552	96,552	97,518	97,518	97,518	98,493	98,493	98,493
Other rubbish disposal		13,122	13,122	13,122	14,873	14,873	14,873	16,584	16,584	16,584
No rubbish disposal		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		114,372	114,372	114,372	117,136	117,136	117,136	119,869	119,869	119,869
<b>Total number of households</b>	5	162,000	162,000	162,000	165,240	165,240	165,240	168,454	168,454	168,454
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773
Sanitation (free minimum level service)		161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773	161,773
Electricity/other energy (50kwh per household per month)		5,625	10,215	10,419	13,446	13,446	13,446	14,158	14,441	14,874
Refuse (removed at least once a week)		1,219	2,207	2,251	13,446	13,446	13,446	14,158	14,441	14,874
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		21,778	39,323	40,109	72,790	72,790	72,790	82,499	82,663	97,231
Sanitation (free sanitation service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		4,500	9,271	9,457	34,819	34,819	34,819	35,863	36,939	38,047
Refuse (removed once a week)		1,535	2,170	2,213	30,754	30,754	30,754	31,677	32,627	33,606
<b>Total cost of FBS provided (minimum social package)</b>		27,813	50,764	51,779	138,363	138,363	138,363	150,039	152,229	168,884
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		—	—	—	—	—	—	—	—	—
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		3,019	4,981	5,080	5,304	5,304	5,304	5,570	5,848	6,141
Property rates (other exemptions, reductions and rebates)		77,651	108,690	110,864	121,433	121,433	121,433	162,878	172,707	183,128
Water		32,198	39,323	40,109	149,883	149,883	149,883	157,377	165,246	173,509
Sanitation		581	—	—	149,883	149,883	149,883	157,377	165,246	173,509
Electricity/other energy		5,355	—	—	6,221	6,221	6,221	6,532	6,858	7,201
Refuse		1,627	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
<b>Total revenue cost of free services provided (total social package)</b>	6	120,431	152,994	156,054	432,724	432,724	432,724	489,735	515,906	543,487

## 1.6 CAPITAL EXPENDITURE

The table below depicts a summary of the allocations per municipal priority on the capital expenditure budget.

MUNICIPAL PRIORITY	2014/2015 ADJUSTED BUDGET ESTIMATE	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST	TOTAL MEDIUM- TERM BUDGET	% ALLOCATION
Water Supply	R 127,636,249	R 224,146,059	R 218,243,468	R 295,900,908	R 738,290,435	42%
Roads and Stormwater	R 79,084,032	R 124,967,258	R 104,890,000	R 71,580,000	R 301,437,258	17%
Public Transport	R 155,936,905	R 77,005,263	R 81,000,000	R 82,094,737	R 240,100,000	14%
Economic Development	R 3,737,193	R 24,670,061	R 35,111,827	R 47,801,708	R 107,583,596	6%
Community Development	R 42,049,105	R 44,046,876	R 32,889,288	R 17,305,303	R 94,241,466	5%
Electricity supply management	R 17,749,240	R 25,535,423	R 21,004,396	R 29,107,390	R 75,647,209	4%
Good governance and institutional development	R 14,548,000	R 20,228,182	R 18,395,607	R 22,655,655	R 61,279,444	3%
Waste and Environmental Management	R 9,500,000	R 10,100,352	R 16,299,621	R 26,963,924	R 53,363,897	3%
Sanitation	R 54,713,239	R 19,223,056	R 14,869,823	R 6,234,202	R 40,327,081	2%
Financial Management	R 5,700,000	R 6,339,301	R 9,318,115	R 13,922,863	R 29,580,279	2%
Revenue enhancement	R 6,257,895	R 3,684,134	R 3,894,718	R 6,236,606	R 13,815,458	1%
Rural Development	R 500,000	R 2,000,000	R 1,917,184	R 2,814,617	R 6,731,801	0%
Integrated Human Settlements	R 5,105,471	R 470,000	R -	R -	R 470,000	0%
<b>Grand Total</b>	<b>R 522,517,328</b>	<b>R 582,415,965</b>	<b>R 557,834,047</b>	<b>R 622,617,913</b>	<b>R 1,762,867,925</b>	<b>100%</b>

The municipality will be spending in the next three years R1 395 million (79 percent) of the total capital expenditure budget) on services infrastructure development to address backlogs with regards to water provision, roads and storm water management, sanitation, community facilities and electricity supply and management.

- Bulk water and reticulation infrastructure allocation will be R738 million over the medium-term and allocation for 2015/2016 is R224 million. The construction of Karino/ Ntsikazi South Bulk Water Schemes remains a priority and an amount of R245 million has been allocated towards the project over the medium.
- Roads and storm water management infrastructure allocation will be R301 million over the medium-term and allocation for 2015/2016 is R125 million. Pedestrian bridges amounting to R71 million will be constructed over the medium and access roads to Stanford and Somcuba amounting to R15 million and R13 million will be constructed in 2015/2016 and the ka-Daantjie Cemetery Road will be completed in the 2015/2016 at a cost of R49 million.
- Electricity supply and management infrastructure allocation will be R76 million over the medium-term and allocation for 2015/2016 is R26 million. The Valencia Park substation will be upgraded at a cost of R15 million in 2015/2016 and 500 households in Phumlani Village will be electrified in 2015/2016.
- Sanitation and sewerage infrastructure allocation will be R40 million over the medium-term and allocation for 2015/2016 is R19 million. A new Elandshoek Waste Water Treatment Works will be upgraded at a cost of R10 million over the medium-term.
- The allocation for public transport infrastructure over the medium term will amount to R240 million and allocation for 2015/2016 is R77 million. The Mbombela City CBD internal streets will be upgraded at a cost of R40 million over the medium term and a public transport facility will be constructed at Swalala village at a cost of R14 million over the medium term.

#### Highlights on some of the projects the municipality will undertake per service



(a) Repairs and maintenance of roads infrastructure.



(b) Water works project - 600mm Pipeline





**(c) Electrification Projects**



**Furthermore a detailed breakdown of the capital budget per project over the medium-term – Referred as Annexure 278/15 on the council resolutions.**



2015/2016 FINAL CAPITAL BUDGET AND MTREF									
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2014/2015 ADJUSTMENTS BUDGET	2015/2016 BUDGET ESTIMATE	2016/2017 BUDGET FORECAST	2017/2018 BUDGET FORECAST
Infrastructure Development	Community Development	Construction of Phola Community hall	MIG	Phola	5	R 4 000 028	R 3 947 403	R -	R -
Infrastructure Development	Community Development	Construction of Elandshoek community hall	MIG	Elandshoek	12		R 5 921 105	R -	R -
Infrastructure Development	Community Development	Construction of Nkomeni Ermelo community hall	MIG	Nkomeni Ermelo	11		R 3 550 000	R -	R -
Infrastructure Development	Community Development	Construction of Phambeni community hall	MIG	Phambeni	34	R 1 600 302	R 5 432 902	R -	R -
Infrastructure Development	Community Development	Construction of multi purpose courts and upgrading of stadium	MIG	Matsulu Msogwaba Zwelisha Nsikazi Salubanza Masoyi	11, 12, 2, 4, 36, 37, 13, 27, 28,	R -	R 5 000 000	R 17 446 929	
Community Services	Community Development	Purchase of 18 Seater Bus for Transport of Employees	Internal Funding	Institutional	Institutional		R 1 850 000	R 750 000	R -
Community Services	Community Development	Upgrading of existing courts and change rooms	Internal Funding	Nelsville; Valencia; Kamagugu,Matsulu	14, 17, 28, 38	R 500 000	R 500 000	R 1 500 000	R 1 500 000
Community Services	Community Development	Purchase of Swimming pool Equipment	Internal Funding	Institutional	Institutional	R 300 000	R 250 000	R 500 000	R 500 000
Community Services	Community Development	Purchase of Computer P.O.S. system for the swimming pools	Internal Funding	Institutional	Institutional	R 150 000	R 300 000	R 200 000	R 300 000
Community Services	Community Development	Purchase of Vehicles for Sports Section	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Community Services	Community Development	Purchase of Brushcutters and Ride-on lawn mowers for Sports section	Internal Funding	Institutional	Institutional		R 500 000	R 500 000	R 1 000 000
Community Services	Community Development	Erection of Fencing of Kanyamazane and Kabokweni stadiums	Internal Funding	kabokweni and kanyamazane	21, 33		R 500 000	R 300 000	
Community Services	Community Development	Upgrade of Mbombela civic theatre	Internal Funding	Institutional	Institutional	R 250 000	R 150 000	R -	R -
Community Services	Community Development	Upgrade of Mbombela Stadium	Internal Funding	Institutional	Institutional		R 1 542 067	R 2 217 359	R 3 255 303
Community Services	Community development	Purchase of New Motorcycles (16) (Traffic Services)	Internal Funding	Institutional	Institutional		R 1 500 000	R 800 000	R -
Community Services	Community development	Purchase of Road Marking Machine	Internal Funding	Institutional	Institutional		R 500 000	R 625 000	R 1 200 000
Community Services	Community development	Purchase of Interrupted Power Supply (UPS) X 10	Internal Funding	Institutional	Institutional		R 300 000	R 600 000	R 800 000
Community Services	Community development	Purchase of Traffic Controllers x 5	Internal Funding	Institutional	Institutional	R 300 000	R 300 000	R 600 000	R 800 000



Community Services	Community development	Purchase of Traffic Services Motor Vehicles	Internal Funding	Institutional	Institutional		R 1 500 000	R 1 000 000	R 2 400 000
Community Services	Community development	Purchase of 15 collapsible structures	Internal Funding	Institutional	Institutional		R 500 000	R 900 000	R -
Community Services	Community development	Purchase of 15 Guard houses	Internal Funding	Institutional	Institutional	R 200 000	R 500 000	R -	R -
Community Services	Community development	Purchase of Mbombela Fire station Backup generator	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Community Services	Community development	Upgrading of Mbombela Fire station	Internal Funding	Institutional	Institutional	R 518 000	R 800 000	R 150 000	R -
Community Services	Community development	Outsource Motor Vehicle Record System	Internal Funding	Institutional	Institutional	R -	R 500 000	R 500 000	R 500 000
Council	Good governance and institutional development	Purchase of Motor Vehicles - Office of the Executive Mayor	Internal Funding	Institutional	Institutional		R 600 000	R -	R -
Council	Community development	Purchase of Furniture Nine Traditional Council Offices	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Community Services	Community development	Backup Generator for Mbombela Testing Station	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Community Services	Community development	K- 53 Test Track for Motorcycle - White river	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Community Services	Community development	Upgrade of Licencing Security	Internal Funding	Institutional	Institutional		R 500 000	R 500 000	R 750 000
Community Services	Community development	Construction of Traffic Technical Services paint store and staff kitchen (Mbombela)	Internal Funding	Mbombela	Institutional		R 700 000	R 1 000 000	R 1 000 000
Community Services	Community development	Purchase of Prolazer III Speed Measuring Machine	Internal Funding	Institutional	Institutional		R 500 000	R 1 800 000	R 2 200 000
Community Services	Community development	Establishment and upgrading of Parks including purchase of play equipment	Internal Funding	Institutional	Institutional		R 300 000	R 500 000	R 550 000
Community Services	Community development	Development of Nkambeni Cemetery	Internal Funding	Nkambeni	25	R 500 000	R 500 000	R 500 000	R 550 000
LED, URM AND Human Settlements	Economic Development	Construction of Job Linkage Scheme	Internal Funding	Msogwaba	26	R 5 021 022	R 6 400 000	R 8 000 000	R 15 000 000
LED, URM AND Human Settlements	Economic Development	Purchase of Aerial Photograph	Internal Funding				R 600 000		
LED, URM AND Human Settlements	Economic Development	UNS-Upgrade of Kanyamazane-Msogwaba-Luphisi link network (Phase 1)	NDPG	KaNyamazane, Msogwaba, Luphisi	4, 10, 20, 21, 22, 23, 26, 29	R 2 437 193	R 15 243 860	R 23 785 789	R 27 918 754
LED, URM AND Human Settlements	Economic Development	Construction of Informal Trade Stalls	Internal Funding	Kanyamazane, Matsulu, Mbombela City, Kabokweni	20,28,15,33	R 356 365	R 2 000 000	R 3 000 000	R 4 382 954
LED, URM AND Human Settlements	Economic Development	Provision of Barber Stalls	Internal Funding	Institutional	Institutional		R 426 201	R 326 038	R 500 000
Infrastructure Development	Electricity supply management	Electrification of 500 HH in Phumlani	Internal Funding	Phumlani	14		R 4 200 000	R 4 000 000	R -
Infrastructure Development	Electricity supply management	Electrification of 2890 Households	INEP	Msholozzi	14		R -	R 6 140 351	R 13 157 895

Infrastructure Development	Electricity supply management	Upgrade of West Acres 8 and No.2 Substations	Borrowings	Mbombela	14; 15; 16; 17		R 5 280 000	R -	R -
Infrastructure Development	Community Development	Construction of Public Lightening	Internal Funding	Matsulu; Kanyamazane; eNtokozweni; Tekwane North	18; 19; 20; 26; 39		R 3 203 399	R -	R -
Infrastructure Development	Electricity supply management	Upgrade of Valencia Park Substation	Borrowings	Mbombela	14		R 15 000 000	R -	R -
Infrastructure Development	Electricity supply management	New streetlights on the R37 and R40 Road	Internal Funding	Riverside (R37) and White River (R40)	14, 30		R 1 055 423	R -	R -
Infrastructure Development	Electricity supply management	Upgrade of Town North Substation	Internal Funding	White River	30		R -	R -	R 15 949 495
Infrastructure Development	Electricity supply management	Upgrade of Matsafeni-Ilanga Substation	Internal Funding	Matsafeni & West Acres	14, 15		R -	R 10 864 045	
Finance	Financial Management	Renovation of Mbombela and White River Municipal stores	Internal Funding	Institutional	Institutional		R 1 500 000	R 1 800 000	R 2 000 000
Finance	Financial Management	Upgrade of Mechanical Workshop	Internal Funding	Institutional	Institutional	R 150 000	R 500 000	R 1 851 591	R 3 000 000
Finance	Financial Management	Purchase of Mobile Fueling Tankers	Internal Funding	Institutional	Institutional		R 1 000 000		
Finance	Financial Management	Purchase of Office Furniture and Equipments	Internal Funding	Institutional	Institutional	R 1 710 771	R 1 279 314	R 2 666 524	R 4 104 314
Finance	Financial Management	Purchase of asset tracking and scanning system.	Internal Funding	Institutional	Institutional		R 700 000	R -	R 1 818 549
Finance	Financial Management	Purchase of Standard Chart of Accounts Complaint System	Internal Funding	Institutional	Institutional		R 1 359 987	R 3 000 000	R 3 000 000
Chief Operating Officer	Good governance and institutional development	Purchase of Environmental Management Equipments	Internal Funding	Institutional	Institutional	R 259 783	R 500 000	R 350 000	R 350 000
Municipal Manager	Good governance and institutional development	Procurement of Performance Tracking ICT System	Internal Funding	Institutional	Institutional	R 4 000 000	R 4 228 182	R 5 536 426	R 7 722 917
Council Support	Good governance and institutional development	Procurement of Motor Vehicles	Internal Funding	Institutional	Institutional		R 1 600 000	R 1 700 000	R 1 800 000
Council Support	Good governance and institutional development	Purchase of Office Furniture and Equipment	Internal Funding	Institutional	Institutional		R 400 000	R 200 000	R 250 000
Community Services	Good governance and institutional development	Ablution and Change Room Facilities	Internal Funding	Institutional	Institutional	R 500 000	R 500 000	R -	R -
Corporate Services	Good governance and institutional development	Construction of Emergency escape facilities - White River Civic Centre	Internal Funding	Institutional	Institutional		R 500 000		
Corporate Services	Good governance and institutional development	Purchase of Equipment for Medical examinations	Internal Funding	Institutional	Institutional	R 250 000	R 350 000	R 700 000	R 700 000
Corporate Services	Good governance and institutional development	New and upgrading of ICT Hardware	Internal Funding	Institutional	Institutional	R 3 000 000	R 5 300 000	R 2 509 180	R 4 132 738

Corporate Services	Good governance and institutional development	New and upgrading of ICT software	Internal Funding	Institutional	Institutional	R 830 000	R 400 000	R 1 200 000	R 1 200 000
Corporate Services	Good governance and institutional development	Implementation of disaster recovery plan and business continuity systems	Internal Funding	Institutional	Institutional	R 1 500 000	R 3 000 000	R 3 500 000	R 5 000 000
Community Services	Good governance and institutional development	Upgrade of ablution facilities	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Community Services	Good governance and institutional development	Purchase of Lawnmowers and Brushcutters	Internal Funding	Institutional	Institutional	R 126 625	R 500 000	R 600 000	R 600 000
Community Services	Good governance and institutional development	Purchase of Fleet for Parks	Internal Funding	Institutional	Institutional	R 2 094 946	R 700 000	R 2 000 000	R 800 000
Community Services	Good governance and institutional development	Purchase of Cemetery ITC System	Internal Funding	Institutional	Institutional		R 650 000	R 100 000	R 100 000
Community Services	Good governance and institutional development	Ablution and Change Room Facilities	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
LED, URM AND Human Settlements	Integrated Human Settlements	Purchase of motor vehicles (LDV)	Internal Funding	Institutional	Institutional		R 470 000	R -	R -
Infrastructure Development	Public Transport	Construction of Kanyamazane Public Transport Facility	PTIS	Kanyamazane	19, 21	R 10 000 000	R 3 000 000	R 5 000 000	R 5 000 000
Infrastructure Development	Public Transport	Construction of Matsulu Public Transport Facility	PTIS	Matsulu	13, 27	R 10 000 000	R 3 000 000	R 5 000 000	R 5 000 000
Infrastructure Development	Public Transport	Construction of TUT Public Transport Facilities	PTIS	Mbombela	15, 16		R 3 000 000	R 5 000 000	R 5 000 000
Infrastructure Development	Public Transport	Construction of Swalala Public Transport Facilities	PTIS	Swalala	6		R 4 228 070	R 5 000 000	R 5 000 000
Infrastructure Development	Public Transport	Construction of Kabokweni Public Transport Facilities	PTIS	Kabokweni	33		R 4 000 000	R 5 000 000	R 5 000 000
Infrastructure Development	Public Transport	Upgrade of R40 Road – Central Section	PTIS	Mbombela	14, 30		R -	R 5 000 000	R 5 000 000
Infrastructure Development	Public Transport	Upgrade of Mbombela CBD Intersection/Public Transport Priority Lanes	PTIS	Mbombela	14		R 10 000 000	R 10 000 000	R 20 000 000
Infrastructure Development	Public Transport	Construction of Riverside Park Public Transport Station	PTIS	Riverside Park	14		R -	R 3 000 000	R 3 000 000
Infrastructure Development	Public Transport	Construction of Bosch Street Public Transport Station	PTIS	Mbombela	15, 16		R 3 000 000	R 3 000 000	R 3 000 000
Infrastructure Development	Public Transport	Construction of Rob Ferreira Public Transport Facility	PTIS	Mbombela	15, 16		R 3 000 000	R 3 000 000	R 3 000 000
Infrastructure Development	Public Transport	Construction of Hazyview Public Transport Facility	PTIS	Hazyview	1		R -	R 5 000 000	R 4 094 737
Infrastructure Development	Public Transport	Purchase of Integrated Transport System (Operating Systems)	PTIS	Institutional	Institutional		R 8 000 000	R 7 000 000	R 6 000 000

Infrastructure Development	Public Transport	Upgrading of existing R40/Plaston road intersection	PTIS	Rockys Drift	14, 30		R 5 000 000	R 6 000 000	R 5 000 000
Infrastructure Development	Public Transport	Construction of Karino Intersection Priority Routing	PTIS	Karino	18		R 5 000 000	R 5 000 000	R 2 000 000
Infrastructure Development	Public Transport	Construction of Lehawu Public Transport Facility	PTIS	Lehawu	4, 26		R 5 000 000	R 5 000 000	R 2 000 000
Infrastructure Development	Public Transport	Upgrade of R40 – HOV Rocky Drift to White River/ white river to swalala	PTIS	White River	14, 30		R 2 000 000	R 2 000 000	R 2 000 000
Infrastructure Development	Public Transport	Upgrade of R40-HOV from Nelsriver to Rockys Drift	PTIS	Mbombela	14, 15		R -	R 2 000 000	R 2 000 000
Infrastructure Development	Public Transport	Upgrade of R40 Road to DR. Enos Mabuza and TUT	PTIS	Mbombela	15, 16	R 63 000 000	R 7 500 000	R -	R -
Infrastructure Development	Public Transport	Construction of the Mbombela Public Transport Facilities	PTIS	Mbombela	14	R 35 000 000	R 11 277 193	R -	R -
Finance	Revenue enhancement	Property Valuation Management System	Internal Funding	Institutional	Institutional		R 600 000	R 660 000	R 726 000
Infrastructure Development	Revenue enhancement	AMR meters-Commercial	Internal Funding	Mbombela City; White River & Hazzyview	1; 14; 15; 16; 17; 30; 38		R 3 084 134	R -	R -
Infrastructure Development	Revenue enhancement	AMR meters-Residential	Internal Funding	Mbombela City; White River & Hazzyview	1; 14; 15; 16; 17; 30; 38		R -	R 3 234 718	R 5 510 606
Infrastructure Development	Roads and	Upgrading of Daantjie Cemetery road	MIG	Daantjie	2	R 34 123 383	R 15 129 659	R -	R -
Infrastructure Development	Roads and Stormwater	Upgrading of Phola Collector road	MIG	Phola	6	R 7 000 625	R 7 500 000		
Infrastructure Development	Roads and Stormwater	Construction of paved roads & stormwater,Mkheni Road	MIG	Mkheni	23	R 4 000 000	R 6 335 446	R -	R -
Infrastructure Development	Roads and Stormwater	Construction of paved roads & stormwater,Sibuyile Clinic Road	MIG	Sibuyile	24	R 4 000 000	R 3 687 587	R -	R -
Infrastructure Development	Roads and Stormwater	Upgrading of Kanyamazane Internal Roads from gravel to Tar (Robben Island)	MIG	Kanyamazane	20	R -	R 9 774 476		R -
Infrastructure Development	Roads and Stormwater	Upgrading of Kanyamazane Internal Roads from gravel to Tar (Hercules street)	MIG	Kanyamazane	19,21	R -	R 6 000 000	R 15 000 000	R -
Infrastructure Development	Roads and Stormwater	Upgrading of Kanyamazane Internal Roads from gravel to Tar (Hornet and Gecko street)	MIG	Kanyamazane	19	R -	R 3 000 000	R 3 000 000	R -
Infrastructure Development	Roads and Stormwater	Construction of Zomba to Moyeni bus route	MIG	Moyeni	36	R -	R 2 000 000	R 12 000 000	
Infrastructure Development	Roads and Stormwater	Construction of Tekwane North Ext1 Bus Route	MIG	Tekwane North Ext1	26	R 3 000 181	R 15 000 000	R -	R -
Infrastructure Development	Roads and Stormwater	Construction of paved roads and stormwater,Somcuba	MIG	Somcuba	29	R 4 000 000	R 12 595 812	R -	R -

Infrastructure Development	Roads and Stormwater	Upgrade of Mataffin Bus route	MIG	Mataffin	14	R	-	R 1 000 000		R 10 000 000
Infrastructure Development	Roads and Stormwater	Plans and Desings and Upgrade of Mejane Access Road to Tar	MIG	Mejane	39	R	-	R 500 000	R 9 000 000	
Infrastructure Development	Roads and Stormwater	Construction of Pedestrian bridges	MIG	Zwelisha, Mafambisa, Mganduzweni, Msogwaba	4, 9, 10, 22	R	-	R 20 000 000	R 21 000 000	R 30 000 000
Infrastructure Development	Roads and Stormwater	Sand Ford Access Road	MIG	Sand Ford	1	R	-	R 10 000 000	R 5 000 000	R -
Infrastructure Development	Roads and Stormwater	Upgrade of Elijah Mango Bus Route Phase 3	MIG	Elijah Mango	11	R	-	R 500 000	R 14 000 000	R -
Infrastructure Development	Roads and Stormwater	Upgrade of TV/Nkomeni Mangozeni Busroute	MIG	Nkomeni Ermelo	11	R	-	R 500 000	R 12 000 000	R 12 000 000
Infrastructure Development	Roads and Stormwater	Replacement of Plant and Equipment	Internal Funding	Institutional	Institutional	R	200 000	R 1 800 000	R 1 770 000	R 2 000 000
Infrastructure Development	Roads and Stormwater	Replace of Small Equipment	Internal Funding	Institutional	Institutional			R 200 000	R 200 000	R 200 000
Infrastructure Development	Roads and Stormwater	West Acres Storm Water Refurbishment (Phase 2): Design and Tender	Internal Funding	West Acres	15			R 480 000	R -	R 600 000
Infrastructure Development	Roads and Stormwater	West Acres Storm Water Refurbishment (Phase 1): Construction. (Tender to be awarded in current financial year - contract will be done over 2 years)	Internal Funding	West Acres	15			R 1 150 000	R -	R -
Infrastructure Development	Roads and Stormwater	Old Pretoria Rd: Relocate storm water pipe	Internal Funding	West Acres Ext 11	14			R 350 000	R -	R -
Infrastructure Development	Roads and Stormwater	New kerbs in Piet Retief Street, Sonpark and Rob Ferreira Hospital. Dangerous conditions	Internal Funding	Sonheu-wel	16			R 400 000	R -	R -
Infrastructure Development	Roads and Stormwater	Upgrade of intersection: Samora Machel Dr/Valencia Rd	Internal Funding	Valencia Park	14			R 500 000	R -	R -
Infrastructure Development	Roads and Stormwater	Conduct Tom Lawrence Street Geotechnical evaluation	Internal Funding	White River	30			R 700 000	R -	R -
Infrastructure Development	Roads and Stormwater	Conduct Gedlebane Road Geotechnical evaluation	Internal Funding	Msogwaba	29			R 700 000	R -	R -
Infrastructure Development	Roads and Stormwater	Kaapche Hoop Rd (Phase 1): Widening & Reconstruction	Internal Funding	West Acres	15	R	520 000	R 2 384 278	R 3 780 000	R 7 500 000
Infrastructure Development	Roads and Stormwater	Construction of two Speedhumps per ward.	Internal Funding	All Wards	1-39			R 780 000	R 780 000	R 780 000
Infrastructure Development	Roads and Stormwater	R40 through Hazyview: Reconstruction	Internal Funding	Hazyview	1	R	578 097	R -	R 2 500 000	R 8 500 000
Infrastructure Development	Roads and Stormwater	Msogwaba-Tekwane Rd: Construction of 2 culverts in Msogwaba (Culverts on site)	Internal Funding	Msogwaba	26			R -	R 3 860 000	R -
Infrastructure Development	Roads and Stormwater	Dr Enos Mabuza Dr (Phase 1): Widening to 4 lanes (Madiba to Ferreira)	Internal Funding	Mbombela	15,16,17			R 2 000 000	R 1 000 000	R -

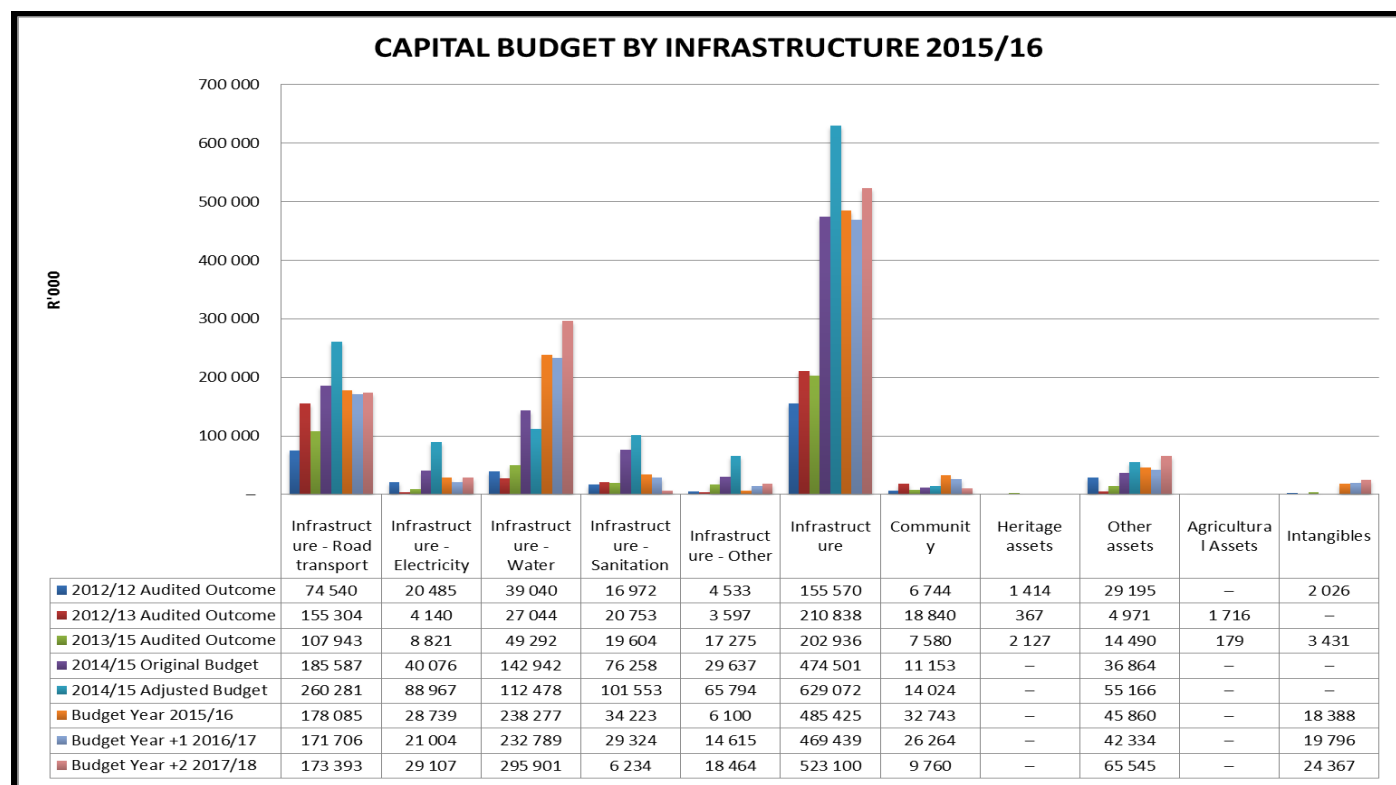
LED, URM AND Human Settlements	Rural Development	Construction of Piggery House	Internal Funding	Msogwaba, Swalala, Phola, Jerusalem, Phamen, Manyeveni, Clau-Clau No 3, Mataffin.	26, 6, 5, 8, 34, 37, 11, 14		R 1 500 000	R 1 917 184	R 2 814 617
LED, URM AND Human Settlements	Rural Development	Purchase of motor vehicles (LDV)	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Water and Sanitation	Sanitation	Tekwane North outfall sewer	MIG	Tekwane North	26	R 5 904 422	R 4 000 000	R -	R -
Water and Sanitation	Sanitation	Upgrading of Nelspruit / Mataffin Northern outfall sewer	MIG	Mataffin	14	R 4 717 000	R 4 000 000	R -	R -
Water and Sanitation	Sanitation	Planning, design and construction of Elandshoek WWTW and Water borne toilet	MIG	Elandshoek	12	R -	R 3 000 000	R 7 000 000	R -
Water and Sanitation	Water Supply	Upgrade of Matsulu WTW extension (6M/d)	MIG	Matsulu	13, 27, 28		R 12 000 000	R 14 454 167	R -
Community Services	Waste and Environmental Management	Warehousing, Parking Space and Wash-bay for solid waste management assets	Internal Funding	Mbombela White River Kabokweni Hazyview	1 16 30 33		R -	R 2 500 000	R -
Community Services	Waste and Environmental Management	Staff Transport Bus	Internal Funding	Mbombela White River Kabokweni Hazyview	1 16 30 33		R 800 000	R 615 598	R 1 393 346
Community Services	Waste and Environmental Management	Construction of Tekwane West Central Waste Disposal Site Cell 2	Internal Funding	Tekwane West	18		R 4 000 352	R 5 000 000	R 7 000 000
Community Services	Waste and Environmental Management	Construction of Waste Transfer Stations	Internal Funding	White River Nsikazi Central Matsulu Hazyview	1, 28, 30, 35		R 600 000	R 5 000 000	R 6 070 578
Community Services	Waste and Environmental Management	Purchase of Waste Collection Fleet	Internal Funding	Institutional	Institutional		R 4 200 000	R 3 184 023	R 10 000 000
Community Services	Waste and Environmental Management	Back-up Generators for Waste Disposal Facilities	Internal Funding	Institutional	Institutional		R 500 000	R -	R -
Community Services	Waste and Environmental Management	Purchase of Waste Storage Facilities	Internal Funding	Institutional	Institutional	R 2 000 000	R -	R -	R 2 500 000
Water and Sanitation	Water Supply	Upgrade of Matsulu Water Supply	MIG	Matsulu	13, 27, 28	R 12 565 845	R 10 376 008	R -	R -
Water and Sanitation	Water Supply	Provision Of Nsikazi South Via Karino Bulk Water Supply Scheme Phase 2	MIG	Karino	All Wards - Nsikazi South	R 22 822 298	R 62 802 936	R 76 999 999	R 104 740 000
Water and Sanitation	Water Supply	Construction of Elandshoek Water Supply	MIG	Elandshoek	12	R 13 852 842	R 5 000 000	R -	R -
Water and Sanitation	Water Supply	Nsikazi North water reticulation scheme	MIG	Nsikazi North	1, 3, 5, 6, 7, 8, 9, 2, 34, 39	R -	R 1 000 000	R 19 826 120	R 35 167 500
Water and Sanitation	Water Supply	Nsikazi South water reticulation scheme	MIG	Tekwane North Tekane South, Msogwaba, Dwaleni, Kabokweni, Teka Tako, Emoyeni	26, 32, 33	R -	R 1 000 000	R 19 826 119	R 33 000 000

Water and Sanitation	Water Supply	Upgrade of Hazyview Water Treatment Works	MIG	Hazyview	1	R -	R 500 000	R 10 545 833	R 50 000 000
Infrastructure Development	Water Supply	Upgrading of Hazyview Water Purification Plant	Borrowings	Hazyview	1	R 12 000 000	R 15 000 000	R -	R -
Water and Sanitation	Water Supply	Additional 1.5Ml reservoir for Phumlani and associated infrastructure	MIG	Phumlani	14	R -	R 7 500 000	R 2 000 000	R -
Water and Sanitation	Water Supply	Construction of Bulk Water Services	Prov. DHS	Tekwane South	21		R 30 000 000	R -	R -
Water and Sanitation	Sanitation	Refurbishment of Waste Water Infrastructure Civil Assets	Internal Funding	Mbombela	All wards		R 1 500 000	R 1 500 000	R 3 000 000
Water and Sanitation	Sanitation	Refurbishment of Waste Water Infrastructure (Electrical and Mechanical) Assets	Internal Funding	Mbombela	All wards		R 2 200 000	R 1 000 000	
Water and Sanitation	Sanitation	Construction of a new Kabokweni sewer pump station, outfall sewer and associated infrastructure	Internal Funding	Kabokweni	33		R 2 500 000	R 1 500 000	
Water and Sanitation	Sanitation	Construction of Hazyview VakansieDorp Sewer Main Outfall	Internal Funding	Hazyview	1		R 200 000	R 2 500 000	R 1 700 000
Water and Sanitation	Sanitation	SCS 1013 - Sewer : Network Upgrading AC Mains	Services Contributions	Nelspruit	14, 15, 16, 17	R 246 500	R 600 000	R -	R 500 000
Water and Sanitation	Sanitation	SCS 1402 - Sewer : Network Upgrade Bulk & Reticulation	Services Contributions	Nelspruit	14, 15, 16, 17		R -	R 369 823	R 534 202
Water and Sanitation	Sanitation	SCS 1011 - Sewer Network Upgrades Central (Sonh x 8)	Services Contributions	Mbombela	16		R -	R -	R 500 000
Water and Sanitation	Sanitation	SCS 910 - Sewer Extensions to Existing Networks Development Needs	Services Contributions	Mbombela	14, 15, 16, 17	R 350 000	R -	R 500 000	R -
Water and Sanitation	Sanitation	SCS 908 Sewer main outfall upgrades - Sonheuwel & Central (Impala Str)	Services Contributions	Mbombela	17		R 1 223 056	R 500 000	R -
Water and Sanitation	Water Supply	Refurbishment of Water Infrastructure Civil Assets	Internal Funding	Institutional	All wards		R 1 500 000	R 1 500 000	
Water and Sanitation	Water Supply	Refurbishment of Water Infrastructure (Electrical and Mechanical) Assets	Internal Funding	All wards	All wards		R 1 000 000	R 1 500 000	R 2 000 000
Water and Sanitation	Water Supply	Implementation of Water Conversation & Demand Management Programme	Internal Funding	All wards	All wards	R 2 353 384	R 2 698 617	R 3 130 378	R 100 000
Water and Sanitation	Water Supply	Upgrade of Water Pipeline Link Phola to Mshadza	Internal Funding	Phola	5		R 800 000	R -	R -
Water and Sanitation	Water Supply	Refurbishment of Phola Water reticulation Network	Internal Funding	Phola	5		R -	R -	R 1 000 000
Water and Sanitation	Water Supply	Construction of Jerusalem Water Package Plant, storage, pump line and reticulation	MWIG	Jerusalem	8		R 2 250 000	R 3 000 000	R 10 000 000
Water and Sanitation	Water Supply	White River/ Sand River: construction of sunction pump line	Internal Funding	White River	30		R 1 348 602	R 800 000	R 1 000 000
Water and Sanitation	Water Supply	Upgrade of Additional 1Ml Hillsview Water reservoir	Internal Funding	Hillsview	38		R -	R 1 727 668	R 1 200 000
Water and Sanitation	Water Supply	Installation of back-up Generators	Internal Funding	Institutional	All wards		R 2 295 838	R 1 866 168	
Water and Sanitation	Water Supply	Refurbishment Of Kanyamazane to Pienaar Bulk Line (Valves, Damage to pipe lines, Chambers, etc.)	WSOSG	Kanyamazane, Pienaar	2, 4, 10, 18, 19, 20, 21, 22, 23, 24, 26, 29, 33, 35		R 4 000 000	R 3 157 895	R 10 267 544



Water and Sanitation	Water Supply	Installation of Water SCADA System	Internal Funding	Mbombela	All wards		R 600 000	R 600 000	R 2 700 000	
Water and Sanitation	Water Supply	Drilling of Boreholes and associated Infrastructure	Internal Funding	Mbombela	All wards		R 600 000			
Water and Sanitation	Water Supply	Refurbishment of Package Plants (Mshadza, Majika, Mganduzweni)	WSOSG	Phola, Majika & Mganduzweni	5, 9, 25		R -	R -	R 5 000 000	
Water and Sanitation	Water Supply	Pipe Replacement Programme and Storage Capacity Refurbishment	Internal Funding	Mbombela	All wards		R 500 000	R 1 000 000	R 1 000 000	
Water and Sanitation	Water Supply	Procurement of Laboratory equipment	Internal Funding	Institutional	Institutional		R 300 000	R 300 000	R 500 000	
Water and Sanitation	Water Supply	Procurement of Plants and Equipment	Internal Funding	Institutional	Institutional		R 300 000	R 400 000	R 2 600 000	
Water and Sanitation	Water Supply	Procurement of Fleet	Internal Funding	Institutional	Institutional		R -	R 5 000 000	R 3 000 000	
Water and Sanitation	Water Supply	SCW 902 - Old Airport Pumphline & pump station	Services Contributions	CBD	14, 15, 16, 17	R 300 000	R 1 234 585	R -	R -	
Water and Sanitation	Water Supply	SCW 1201 Water Upgrades - Sonheuwel Upper Plan	Services Contributions	Sonheuwel	15		R -	R 1 800 000	R -	
Water and Sanitation	Water Supply	SCW 1101 - Water Upgrades in Mbombela Ext.	Services Contributions	Mbombela	15, 16,17	R 700 000	R -	R -	R -	
Water and Sanitation	Water Supply	scw1401 - Water: Bulk & Network upgrades	Services Contributions	Mbombela	15, 16, 17		R -	R -	R 2 301 303	
Water and Sanitation	Water Supply	SCW 909 - Water : Upgrades of Saffier Ps (Beryl Zone)	Services Contributions	Stoneheige	15		R -	R -	R -	
Water and Sanitation	Water Supply	SCW 1302 Water: Network upgrading Central Zone - Brander Street)	Services Contributions	Mbombela CBD	15,16,17		R -	R 254 735	R -	
Water and Sanitation	Water Supply	Construction of a Weir Nsikazi Regional Raw Water Pump Station	WSOSG	Kanyamazane	2, 4, 10, 11, 18, 19, 20, 21, 22, 23, 24, 26, 29, 33, 34, 35, 36, 37, 39		R 1 500 000	R 7 500 000	R -	
Water and Sanitation	Water Supply	Procument of 4 Clear Water Pumps For Nyongane	WSOSG	Nyongane	1, 3, 5, 6, 7, 8, 9, 25, 34, 37, 39		R 4 000 000	R -	R -	
Water and Sanitation	Water Supply	Procurement of 5 Raw Water Pumps For Sabie River Pump Station	WSOSG	Nyongane	1, 3, 5, 6, 7, 8, 9, 25, 34, 37, 39		R 4 500 000	R -	R -	
Water and Sanitation	Water Supply	Kanyamazane mechanical/electrical refurbishment (WTW)	WSOSG	Nsikazi	2, 4, 10, 11, 18, 19, 20, 21, 22, 23, 24, 26, 29, 33, 34, 35, 36, 37, 39		R 3 543 860	R 2 500 000	R 3 000 000	
Water and Sanitation	Water Supply	Upgrade of Phumlani to White river bulk water line	MWIG	Phumlani	14		R 2 800 000	R 3 000 000	R -	
Water and Sanitation	Water Supply	Kanyamazane Ext 6 (Mhlume) water supply	MWIG	Kanyamazane (Mhlume)	21		R 9 000 000	R -	R -	
Water and Sanitation	Water Supply	Daantjie tribal office concrete reservoir and refurbishment of the bulk line	MWIG	Daantjie	23		R 500 000	R -	R -	
Water and Sanitation	Water Supply	Refurbishment of Kabokweni Water Network	MWIG	Kabokweni	33		R 1 600 000	R 5 904 386	R 5 000 000	
Water and Sanitation	Water Supply	Makoko 1.5 ML Package Plant	MWIG	Makoko	37		R 2 150 000	R 1 200 000	R 2 000 000	
Water and Sanitation	Water Supply	Construction of Bongani 1.5 MLPackage Plant	MWIG	Bongani	3		R -	R 2 150 000	R 3 000 000	
Water and Sanitation	Water Supply	Majika Bulk Water Upgrade and Refurbishment	MWIG	Majika	25		R 12 200 000	R -	R -	
Water and Sanitation	Water Supply	Construction of new water rising main bulk supply line and 2ML reservoir and extension of reticulation in Mahushu	MWIG	Mahushu	3		R 12 350 000	R 800 000	R -	
Water and Sanitation	Water Supply	Refurbishment of existing reticulation in Bhekiswayo	MWIG	Bhekiswayo	5		R -	R 3 000 000	R -	
Water and Sanitation	Water Supply	Refurbishment of reticulation in Chweni and Khumbula	MWIG	Chweni, Khumbula	34		R -	R 4 500 000	R -	
Water and Sanitation	Water Supply	Upgrading of infrastructure and extension of reticulation in Malekutu Informal and refurbishment of reticulation in Malekutu, Makoko and Phameni	MWIG	Malekutu, Makoko, Phameni	34, 37		R -	R 3 500 000	R -	
Water and Sanitation	Water Supply	Refurbishment of reticulation in Clau-Clau	MWIG	Clau-Clau	10		R -	R 3 000 000	R -	
Water and Sanitation	Water Supply	Refurbishment of reticulation in Daantjie	MWIG	Daantjie	23		R -	R 6 000 000	R -	
Water and Sanitation	Water Supply	Water Network Refurbishment and Bulk Water Supply	MWIG	Institutional	Institutional		R -	R -	R 17 324 561	
Water and Sanitation	Water Supply	Upgrading of bulk infrastructure and extension of reticulation in Gutshwakop	MWIG	Gutshwakop	31		R -	R 4 000 000	R -	
Water and Sanitation	Water Supply	Backdoor, Mbonisweni, Phathwa - Augmentation line	MWIG	Backdoor, Mbonisweni, Phathwa	32, 38		R 5 395 613	R 1 500 000	R -	
GRAND-TOTAL							R 283 789 612	R 582 415 965	R 557 834 047	R 622 617 913

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



## 1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The following pages present the ten main budget tables as required in terms of regulation 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	245,816	274,262	290,608	324,308	334,063	334,063	334,063	374,063	405,315	442,708
Service charges	586,181	635,229	709,239	800,233	803,485	803,485	803,485	903,936	1,033,145	1,187,361
Investment revenue	–	–	–	6,226	6,226	6,226	6,226	9,475	10,611	11,885
Transfers recognised - operational	375,143	382,171	359,287	397,237	395,322	395,322	395,322	574,714	614,100	669,574
Other own revenue	126,062	215,973	178,536	200,148	207,345	207,345	207,345	295,264	318,654	352,548
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,333,202</b>	<b>1,507,635</b>	<b>1,537,671</b>	<b>1,728,151</b>	<b>1,746,441</b>	<b>1,746,441</b>	<b>1,746,441</b>	<b>2,157,452</b>	<b>2,381,826</b>	<b>2,664,076</b>
Employee costs	389,231	418,218	459,897	483,443	492,574	492,574	492,574	546,092	617,057	682,730
Remuneration of councillors	19,302	20,925	25,892	27,724	27,724	27,724	27,724	29,411	31,176	33,046
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	211,098	191,056	197,235	203,613
Finance charges	42,703	46,639	52,684	51,682	52,563	52,563	52,563	54,340	52,233	50,195
Materials and bulk purchases	369,832	419,565	437,831	489,230	492,554	492,554	492,554	577,732	651,790	735,838
Transfers and grants	–	25,874	23,707	138,363	148,697	148,697	148,697	150,039	152,229	168,884
Other expenditure	560,428	623,529	629,735	493,600	548,282	548,282	548,282	632,875	667,498	709,995
<b>Total Expenditure</b>	<b>1,672,784</b>	<b>1,795,551</b>	<b>1,847,700</b>	<b>1,918,454</b>	<b>1,973,492</b>	<b>1,973,492</b>	<b>1,973,492</b>	<b>2,181,545</b>	<b>2,369,218</b>	<b>2,584,301</b>
<b>Surplus/(Deficit)</b>	<b>(339,582)</b>	<b>(287,916)</b>	<b>(310,030)</b>	<b>(190,302)</b>	<b>(227,050)</b>	<b>(227,050)</b>	<b>(227,050)</b>	<b>(24,093)</b>	<b>12,608</b>	<b>79,775</b>
Transfers recognised - capital	89,511	168,277	170,643	511,234	615,304	615,304	615,304	406,592	424,738	453,671
Contributions recognised - capital & contributed	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(250,071)</b>	<b>(119,639)</b>	<b>(139,386)</b>	<b>320,932</b>	<b>388,254</b>	<b>388,254</b>	<b>388,254</b>	<b>382,499</b>	<b>437,346</b>	<b>533,446</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>(250,071)</b>	<b>(119,639)</b>	<b>(139,386)</b>	<b>320,932</b>	<b>388,254</b>	<b>388,254</b>	<b>388,254</b>	<b>382,499</b>	<b>437,346</b>	<b>533,446</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>194,948</b>	<b>236,732</b>	<b>230,742</b>	<b>522,517</b>	<b>698,262</b>	<b>698,262</b>	<b>698,262</b>	<b>582,416</b>	<b>557,834</b>	<b>622,618</b>
Transfers recognised - capital	90,336	163,788	176,109	418,672	505,691	505,691	505,691	436,592	424,738	453,671
Public contributions & donations	2,886	3,904	4,072	3,150	5,042	5,042	5,042	3,058	3,425	3,836
Borrowing	33,130	28,497	15,044	40,656	108,496	108,496	108,496	35,280	–	–
Internally generated funds	68,597	40,544	35,517	60,039	79,033	79,033	79,033	107,486	129,672	165,111
<b>Total sources of capital funds</b>	<b>194,948</b>	<b>236,732</b>	<b>230,742</b>	<b>522,517</b>	<b>698,262</b>	<b>698,262</b>	<b>698,262</b>	<b>582,416</b>	<b>557,834</b>	<b>622,618</b>
<b>Financial position</b>										
Total current assets	209,942	189,657	279,661	450,748	277,765	277,765	277,765	416,433	547,243	759,069
Total non current assets	5,556,114	5,487,244	5,505,817	6,255,304	5,636,897	5,636,897	5,636,897	5,894,451	6,196,761	6,547,556
Total current liabilities	556,235	668,456	842,239	268,979	476,152	476,152	476,152	405,105	398,119	430,385
Total non current liabilities	468,813	411,415	485,594	476,309	592,446	592,446	592,446	639,573	642,331	644,182
Community wealth/Equity	4,741,008	4,597,030	4,457,644	5,960,765	4,846,064	4,846,064	4,846,064	5,266,208	5,703,554	6,232,059
<b>Cash flows</b>										
Net cash from (used) operating	169,427	237,553	267,046	567,094	574,177	574,177	574,177	673,088	746,050	858,913
Net cash from (used) investing	(177,919)	(236,531)	(226,517)	(436,529)	(608,353)	(608,353)	(608,353)	(578,026)	(552,917)	(617,111)
Net cash from (used) financing	28,511	(17,256)	36,026	60,322	91,850	91,850	91,850	25,889	(20,560)	(23,451)
<b>Cash/cash equivalents at the year end</b>	<b>35,792</b>	<b>19,558</b>	<b>96,112</b>	<b>310,163</b>	<b>153,786</b>	<b>153,786</b>	<b>153,786</b>	<b>274,737</b>	<b>447,311</b>	<b>665,662</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	49,425	33,255	110,496	348,900	169,443	169,443	169,443	291,779	465,860	685,853
Application of cash and investments	385,297	490,034	652,439	113,557	335,629	335,629	335,629	235,048	267,525	303,177
<b>Balance - surplus (shortfall)</b>	<b>(335,872)</b>	<b>(456,779)</b>	<b>(541,943)</b>	<b>235,343</b>	<b>(166,187)</b>	<b>(166,187)</b>	<b>(166,187)</b>	<b>56,731</b>	<b>198,336</b>	<b>382,676</b>
<b>Asset management</b>										
Asset register summary (WDV)	5,541,848	5,473,075	5,490,998	6,216,567	5,620,819	5,620,819	5,877,001	5,877,001	6,177,815	6,526,356
Depreciation & asset impairment	291,288	240,802	217,955	234,411	211,098	211,098	191,056	191,056	197,235	203,613
Renewal of Existing Assets	43,869	73,709	69,523	318,296	370,310	370,310	370,310	345,447	360,155	407,969
Repairs and Maintenance	133,564	153,645	148,020	119,283	172,915	172,915	181,561	181,561	188,872	197,407
<b>Free services</b>										
Cost of Free Basic Services provided	27,813	50,764	51,779	138,363	138,363	138,363	150,039	150,039	152,229	168,884
Revenue cost of free services provided	120,431	152,994	156,054	432,724	432,724	432,724	489,735	489,735	515,906	543,487
<b>Households below minimum service level</b>										
Water:	21	21	21	21	21	21	22	22	22	22
Sanitation/sewage:	–	–	–	–	–	–	–	–	–	–
Energy:	16	16	16	18	18	18	20	20	20	20
Refuse:	114	114	114	117	117	117	120	120	120	120

## Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - (a) The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - (b) Capital expenditure is balanced by capital funding sources, of which;
    - (i) Transfers recognised are reflected on the Financial Performance Budget;
    - (ii) Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and
    - (iii) Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows positive cash balance which means that the municipalities' obligation will be met for the rest of the MTREF after considering its application of cash and investments.
5. The section of Free Services shows that the amount spent on Free Basic Services by the municipality continues to increase while the revenue cost continues to decrease for the MTREF.

MP322 Mbombela - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		584,625	700,309	736,429	1,288,937	1,287,090	1,287,090	1,352,991	1,380,051	1,407,652
Executive and council		262	1,734	2,568	7,344	7,344	7,344	8,593	8,765	8,940
Budget and treasury office		321,966	653,993	694,581	812,290	808,068	808,068	848,471	865,441	882,750
Corporate services		262,398	44,582	39,279	469,303	471,678	471,678	495,927	505,846	515,962
<i>Community and public safety</i>		14,878	47,432	33,037	14,325	24,382	24,382	27,133	27,675	28,229
Community and social services		997	1,199	7,253	828	828	828	969	988	1,008
Sport and recreation		10,351	41,238	10,361	9,820	19,925	19,925	21,918	22,356	22,803
Public safety		-	3,962	15,423	3,677	3,630	3,630	4,247	4,332	4,418
Housing		3,149	1,000	-	-	-	-	-	-	-
Health		381	32	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		153,093	249,035	191,112	134,303	248,453	248,453	254,210	336,679	461,436
Planning and development		1,980	4,847	4,877	6,086	6,086	6,086	7,114	7,257	7,402
Road transport		151,113	244,188	186,234	128,217	242,367	242,367	247,096	329,422	454,034
Environmental protection		-	-	1	-	-	-	-	-	-
<i>Trading services</i>		670,116	679,135	747,736	801,820	801,820	801,820	882,602	1,004,598	1,153,237
Electricity		510,427	547,081	608,772	677,124	677,124	677,124	741,660	835,794	945,728
Water		58,625	48,821	49,063	35,886	35,886	35,886	45,759	68,563	100,707
Waste water management		48,190	18,053	19,413	19,653	19,653	19,653	16,424	13,670	11,378
Waste management		52,873	65,179	70,489	69,158	69,158	69,158	78,758	86,571	95,424
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	1,422,713	1,675,912	1,708,314	2,239,385	2,361,745	2,361,745	2,516,936	2,749,003	3,050,554
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		339,814	417,534	505,010	470,821	478,432	478,432	488,000	502,640	522,746
Executive and council		51,199	108,464	147,397	138,981	141,860	141,860	144,697	149,038	155,000
Budget and treasury office		109,697	123,597	114,357	104,397	102,530	102,530	104,580	107,718	112,026
Corporate services		178,917	185,473	243,257	227,444	234,042	234,042	238,723	245,884	255,720
<i>Community and public safety</i>		224,522	313,724	309,776	254,551	254,476	254,476	259,565	267,352	278,046
Community and social services		59,413	29,604	31,211	34,457	34,457	34,457	35,146	36,201	37,649
Sport and recreation		136,460	206,212	177,951	135,140	131,144	131,144	133,767	137,780	143,291
Public safety		-	69,309	94,837	78,408	82,328	82,328	83,974	86,494	89,953
Housing		16,009	4,536	5,496	5,412	5,412	5,412	5,520	5,686	5,913
Health		12,640	4,064	280	1,134	1,134	1,134	1,157	1,191	1,239
<i>Economic and environmental services</i>		313,756	239,643	185,956	270,409	317,912	317,912	445,449	581,146	731,329
Planning and development		24,725	38,159	32,448	40,927	45,056	45,056	45,957	47,336	49,229
Road transport		289,031	195,680	150,304	226,051	272,856	272,856	399,491	533,809	682,099
Environmental protection		-	5,804	3,203	3,431	-	-	-	-	-
<i>Trading services</i>		794,693	821,373	843,807	920,084	920,084	920,084	938,486	966,640	1,005,306
Electricity		449,423	501,249	522,353	559,827	559,827	559,827	571,024	588,155	611,681
Water		157,910	104,072	138,030	151,944	151,944	151,944	154,982	159,632	166,017
Waste water management		70,452	107,606	60,368	62,293	62,293	62,293	63,539	65,445	68,063
Waste management		116,907	108,446	123,056	146,020	146,020	146,020	148,940	153,408	159,545
<i>Other</i>	4	-	3,277	3,151	2,588	2,588	2,588	2,640	2,719	2,828
<b>Total Expenditure - Standard</b>	3	1,672,784	1,795,551	1,847,700	1,918,454	1,973,492	1,973,492	2,134,140	2,320,497	2,540,254
<b>Surplus/(Deficit) for the year</b>		(250,071)	(119,639)	(139,386)	320,932	388,254	388,254	382,796	428,505	510,300

### Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and it does balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case on Water, Waste water functions and the

Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

**MP322 Mbombela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>	1									
Vote 1 - COUNCIL		–	1 338	–	–	–	–	–	–	–
Vote 2 - COUNCIL SUPPORT		3	9	–	–	–	–	7	8	9
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		–	4	2	–	–	–	–	–	–
Vote 4 - MUNICIPAL MANAGER		–	71	19 897	–	–	–	0	0	0
Vote 5 - DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 6 - FINANCIAL SERVICES		555 757	657 529	697 135	809 091	814 948	814 948	972 769	1 045 187	1 127 221
Vote 7 - TRANSVERAL		–	–	–	–	–	–	–	–	–
Vote 8 - CORPORATE SERVICES		1 757	65 813	1 751	1 645	1 645	1 645	1 563	1 751	1 961
Vote 9 - COMMUNITY SERVICES		301 972	145 735	149 326	213 430	225 862	225 862	289 362	314 718	356 478
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		5 061	5 913	4 943	9 977	9 977	9 977	7 226	8 093	9 064
Vote 11 - INFRASTRUCTURE DEVELOPMENT		558 163	799 499	835 261	1 205 243	1 309 313	1 309 313	1 167 783	1 298 342	1 451 824
Vote 12 - WATER & SANITATION		–	–	–	–	–	–	125 333	138 465	171 191
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>1 422 713</b>	<b>1 675 912</b>	<b>1 708 314</b>	<b>2 239 385</b>	<b>2 361 745</b>	<b>2 361 745</b>	<b>2 564 044</b>	<b>2 806 564</b>	<b>3 117 747</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - COUNCIL		18 338	23 850	40 972	36 470	37 610	37 610	46 154	48 976	51 971
Vote 2 - COUNCIL SUPPORT		13 223	14 393	18 604	25 673	29 261	29 261	20 201	21 517	22 808
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		30 612	24 405	39 736	46 287	50 416	50 416	51 287	53 068	56 405
Vote 4 - MUNICIPAL MANAGER		6 117	26 508	30 959	29 524	27 701	27 701	35 141	37 202	39 480
Vote 5 - DEPUTY MUNICIPAL MANAGER		12 498	145	17 122	10 301	10 276	10 276	19 325	9 061	9 245
Vote 6 - FINANCIAL SERVICES		197 160	205 675	126 880	157 613	155 746	155 746	159 387	166 109	169 342
Vote 7 - TRANSVERAL		–	4 610	7 357	8 823	9 225	9 225	4 831	5 121	5 428
Vote 8 - CORPORATE SERVICES		45 776	50 983	97 312	87 844	94 041	94 041	157 669	202 624	240 639
Vote 9 - COMMUNITY SERVICES		372 572	405 781	478 363	549 477	545 482	545 482	561 315	596 587	625 577
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		44 315	43 440	38 453	61 509	62 682	62 682	64 564	68 122	86 983
Vote 11 - INFRASTRUCTURE DEVELOPMENT		767 589	797 857	718 104	658 064	704 187	704 187	799 458	883 295	982 876
Vote 12 - WATER & SANITATION		164 584	197 906	233 838	246 868	246 868	246 868	262 213	277 537	293 548
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>1 672 784</b>	<b>1 795 551</b>	<b>1 847 700</b>	<b>1 918 454</b>	<b>1 973 492</b>	<b>1 973 492</b>	<b>2 181 545</b>	<b>2 369 218</b>	<b>2 584 301</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(250 071)</b>	<b>(119 639)</b>	<b>(139 386)</b>	<b>320 932</b>	<b>388 254</b>	<b>388 254</b>	<b>382 499</b>	<b>437 346</b>	<b>533 446</b>

### Explanatory notes Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.



**Table A4 - Budgeted Financial Performance revenue and Expenditure**

MP322 Mbombela - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
<b>Revenue By Source</b>											
Property rates	2	245 816	274 262	290 608	324 308	334 063	334 063	334 063	374 063	405 315	442 708
Property rates - penalties & collection charges		—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	2	493 156	536 399	600 817	681 348	681 348	681 348	681 348	765 628	862 817	976 335
Service charges - water revenue	2	25 453	24 667	27 482	30 074	30 136	30 136	30 136	42 890	69 935	104 096
Service charges - sanitation revenue	2	14 827	15 134	15 874	19 653	19 734	19 734	19 734	16 548	13 700	11 370
Service charges - refuse revenue	2	52 745	59 029	65 066	69 158	72 267	72 267	72 267	78 870	86 693	95 560
Service charges - other		—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		16 431	18 266	18 592	18 849	21 224	21 224	21 224	28 061	31 428	35 199
Interest earned - external investments		—	—	—	6 226	6 226	6 226	6 226	9 475	10 611	11 885
Interest earned - outstanding debtors		22 059	18 278	26 495	27 716	16 322	16 322	16 322	8 447	9 461	10 596
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines		2 982	16 685	15 327	4 012	14 117	14 117	14 117	15 811	17 708	19 833
Licences and permits		7	21	4	50	2	2	2	2	2	3
Agency services		22 676	24 835	28 456	119 452	125 362	125 362	125 362	164 589	184 340	211 991
Transfers recognised - operational		375 143	382 171	359 287	397 237	395 322	395 322	395 322	574 714	614 100	669 574
Other revenue	2	61 908	137 889	87 845	26 149	26 399	26 399	26 399	73 964	70 798	69 420
Gains on disposal of PPE		—	—	1 816	3 920	3 920	3 920	3 920	4 390	4 917	5 507
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 333 202</b>	<b>1 507 635</b>	<b>1 537 671</b>	<b>1 728 151</b>	<b>1 746 441</b>	<b>1 746 441</b>	<b>1 746 441</b>	<b>2 157 452</b>	<b>2 381 826</b>	<b>2 664 076</b>
<b>Expenditure By Type</b>											
Employee related costs	2	389 231	418 218	459 897	483 443	492 574	492 574	492 574	546 092	617 057	682 730
Remuneration of councillors		19 302	20 925	25 892	27 724	27 724	27 724	27 724	29 411	31 176	33 046
Debt impairment	3	49 013	81 140	48 539	101 209	91 225	91 225	91 225	74 574	73 357	72 391
Depreciation & asset impairment	2	291 288	240 802	217 955	234 411	211 098	211 098	211 098	191 056	197 235	203 613
Finance charges		42 703	46 639	52 684	51 682	52 563	52 563	52 563	54 340	52 233	50 195
Bulk purchases	2	369 832	419 565	437 831	446 195	446 682	446 682	446 682	527 570	598 057	678 279
Other materials	8	—	—	—	43 035	45 872	45 872	45 872	49 561	53 090	56 870
Contracted services		168 686	206 545	244 594	218 204	290 556	290 556	290 556	334 054	348 109	364 272
Transfers and grants		—	25 874	23 707	138 363	148 697	148 697	148 697	150 239	152 229	168 884
Other expenditure	4, 5	340 231	334 844	336 602	174 187	166 501	166 501	166 501	224 647	246 675	274 021
Loss on disposal of PPE		2 497	1 001	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>1 672 784</b>	<b>1 795 551</b>	<b>1 847 700</b>	<b>1 918 454</b>	<b>1 973 492</b>	<b>1 973 492</b>	<b>1 973 492</b>	<b>2 181 545</b>	<b>2 369 218</b>	<b>2 584 301</b>
<b>Surplus/(Deficit)</b>		<b>(339 582)</b>	<b>(287 916)</b>	<b>(310 030)</b>	<b>(190 302)</b>	<b>(227 050)</b>	<b>(227 050)</b>	<b>(227 050)</b>	<b>(24 093)</b>	<b>12 608</b>	<b>79 775</b>
Transfers recognised - capital		89 511	168 277	170 643	511 234	615 304	615 304	615 304	406 592	424 738	453 671
Contributions recognised - capital	6	—	—	—	—	—	—	—	—	—	—
Contributed assets		—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(250 071)</b>	<b>(119 639)</b>	<b>(139 386)</b>	<b>320 932</b>	<b>388 254</b>	<b>388 254</b>	<b>388 254</b>	<b>382 499</b>	<b>437 346</b>	<b>533 446</b>

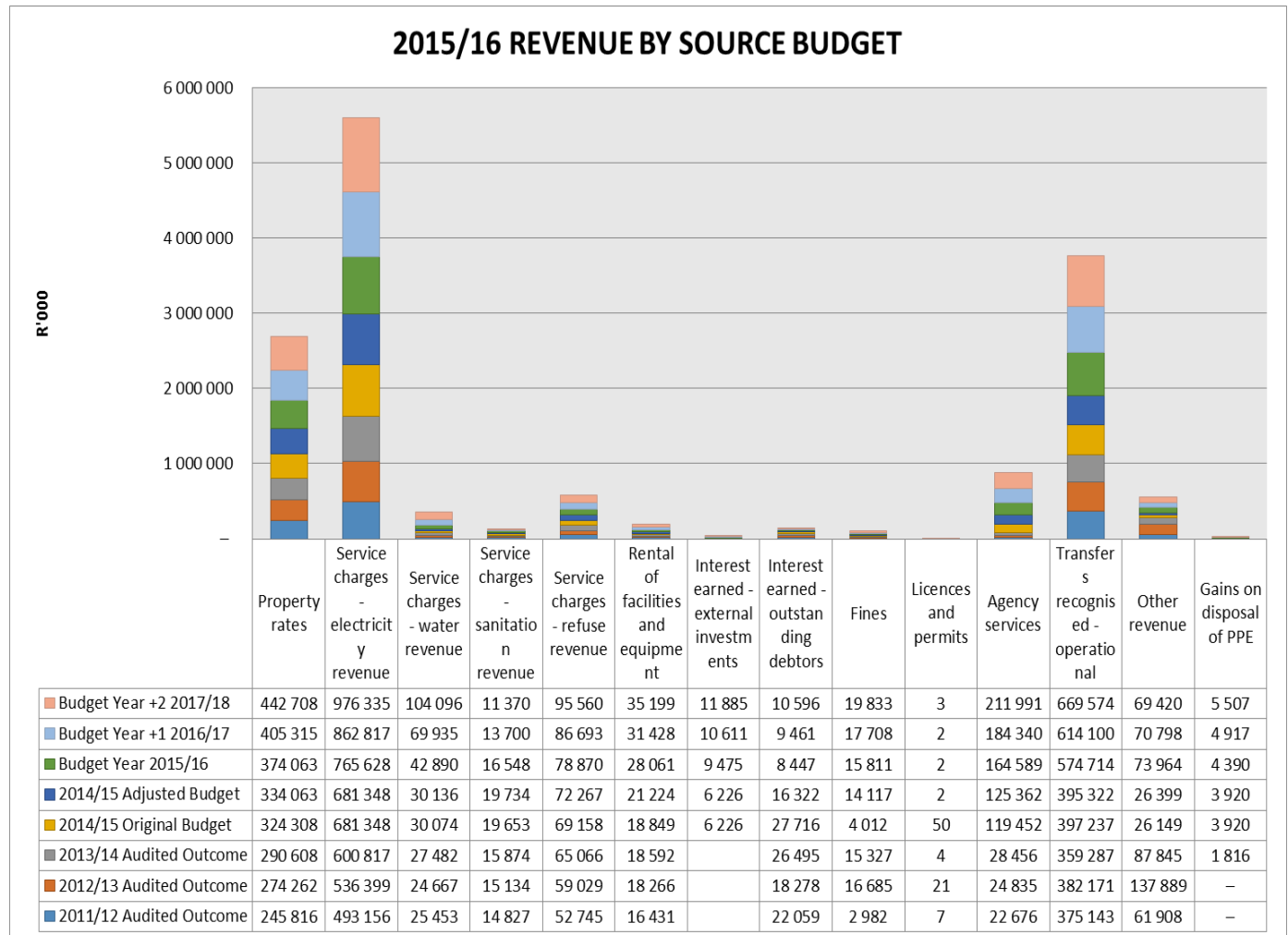
**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. The municipality will receive significant portion of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R904 million indicating an increase of R104 million nine (13) per cent in 2015/2016 financial year and increases to R1 187 billion over the medium-term. The revenue from electricity service charge remain relatively high at R766 million (35) percent of the total operating revenue budget and other services charge contributes (6) percent.
2. The revenue from property rates will amount to R374 million after taking into account rates rebates in terms of the rates policy amounting to R168 million in 2015/2016 financial year and increases to R443 million over the medium-term. The property rates revenue contributes about 17 per cent of the total operating revenue budget.
3. Operating grants allocation comprising of equitable share and other small grants contributes 27 percent to the total operating revenue budget and will amount to R575 million in 2015/2016 financial year and increases to R670 million over the medium-term.



4. The other revenue amounts to R305 million. The other revenue comprise of revenue from agency fees of R165 million, interest from outstanding debtors and investments of R18 million, rental of municipal properties and facilities of R28 million and sundry income of R94 million. The other revenue contributes about 14 per cent of the total operating revenue budget.

In conclusion, the graphic illustration the main revenue streams of the municipality is as follows;



The employees' remuneration cost will amount to R546 million in 2015/2016 financial year due to an annual increase of R63 million (13) percent and R34 million of the R63 million is allocated for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 26 per cent. The employees remuneration cost will increase to R683 million in 2017/2018 financial year and the expenditure to the total operating budget will be 28 per cent.

The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom of R468 million and bulk water purchases from Water Boards and Sembcorp f R60 million, will increase to R528 million due to an average increase of 14.24 per cent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2015. The bulk purchase expenditure make up 24 per cent of the total operating expenditure budget.

The depreciation cost will be R191 million make up 9 per cent of the total operating expenditure and is about 3 per cent of the total assets carrying value of R5 837 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

The contracted and other expenditure increases by 11 per cent to R559 million in 2015/2016 and make up 20 per cent of the total operating expenditure budget. The increase on the contracted and other expenditure is due to the allocation of R209 million in 2015/2016 for operating programmes and projects that are in line with the municipal development priorities. The breakdown of the total expenditure for the operating programmes and projects per municipal development priorities is tabulated below, detailed list of the operating projects is attached as **Annexure R277/15**

The municipality has allocated an amount of R150 million in the 2015/2016 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality and the table indicates the detailed breakdown of the free basic services.

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - COUNCIL		—	—	—	—	—	—	—	—	—	—
Vote 2 - COUNCIL SUPPORT		—	—	—	—	—	—	—	2,000	1,900	2,050
Vote 3 - PLANNING, PERFORMANCE & MONITORING		—	4,034	4,517	5,450	6,737	6,737	6,737	—	—	—
Vote 4 - MUNICIPAL MANAGER		—	—	—	—	4,000	4,000	4,000	4,228	5,536	7,723
Vote 5 - DEPUTY MUNICIPAL MANAGER		—	—	—	—	—	—	—	500	350	350
Vote 6 - FINANCIAL SERVICES		—	1,201	—	7,500	12,157	12,157	12,157	5,939	9,978	14,649
Vote 7 - TRANSVERSAL		—	—	—	—	—	—	—	—	—	—
Vote 8 - CORPORATE SERVICES		—	—	6,563	2,250	4,860	4,860	4,860	7,250	7,909	11,033
Vote 9 - COMMUNITY SERVICES		47,246	14,303	6,072	36,744	47,170	47,170	47,170	25,997	33,342	44,569
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		—	1,716	9,097	5,237	9,784	9,784	9,784	25,470	39,559	53,399
Vote 11 - INFRASTRUCTURE DEVELOPMENT		82,091	188,924	191,753	189,239	276,919	276,919	276,919	100,951	213,112	209,632
Vote 12 - WATER & SANITATION		50,047	13,371	4,489	—	16,164	16,164	16,164	178,150	242,287	269,213
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>179,383</b>	<b>223,549</b>	<b>222,490</b>	<b>246,420</b>	<b>377,791</b>	<b>377,791</b>	<b>377,791</b>	<b>350,486</b>	<b>553,974</b>	<b>612,618</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - COUNCIL		—	—	—	—	—	—	—	—	—	—
Vote 2 - COUNCIL SUPPORT		—	—	—	—	—	—	—	—	—	—
Vote 3 - PLANNING, PERFORMANCE & MONITORING		—	—	29	—	—	—	—	—	—	—
Vote 4 - MUNICIPAL MANAGER		1,777	—	15	—	—	—	—	—	—	—
Vote 5 - DEPUTY MUNICIPAL MANAGER		—	—	6	—	—	—	—	—	—	—
Vote 6 - FINANCIAL SERVICES		732	—	945	1,600	1,600	1,600	1,600	1,000	—	—
Vote 7 - TRANSVERSAL		—	—	—	—	—	—	—	—	—	—
Vote 8 - CORPORATE SERVICES		2,006	1,471	3	100	100	100	100	500	—	—
Vote 9 - COMMUNITY SERVICES		—	1,413	396	6,053	6,053	6,053	6,053	—	—	—
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		11,050	1,878	—	4,105	7,105	7,105	7,105	970	—	—
Vote 11 - INFRASTRUCTURE DEVELOPMENT		—	8,422	6,858	264,239	305,612	305,612	305,612	143,065	3,860	10,000
Vote 12 - WATER & SANITATION		—	—	—	—	—	—	—	86,395	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—
<b>Capital single-year expenditure sub-total</b>		<b>15,566</b>	<b>13,183</b>	<b>8,251</b>	<b>276,097</b>	<b>320,470</b>	<b>320,470</b>	<b>320,470</b>	<b>231,930</b>	<b>3,860</b>	<b>10,000</b>
<b>Total Capital Expenditure - Vote</b>		<b>194,948</b>	<b>236,732</b>	<b>230,742</b>	<b>522,517</b>	<b>698,262</b>	<b>698,262</b>	<b>698,262</b>	<b>582,416</b>	<b>557,834</b>	<b>622,618</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>15,172</b>	<b>43,001</b>	<b>72,641</b>	<b>28,509</b>	<b>30,232</b>	<b>30,232</b>	<b>30,232</b>	<b>18,917</b>	<b>23,424</b>	<b>33,405</b>
Executive and council		—	5,293	1,555	8,580	8,580	8,580	8,580	4,228	5,536	7,723
Budget and treasury office		15,172	—	1,575	12,676	11,042	11,042	11,042	6,939	9,978	14,649
Corporate services		—	37,708	69,512	7,252	10,609	10,609	10,609	7,750	7,909	11,033
<b>Community and public safety</b>		<b>21,831</b>	<b>15,759</b>	<b>10,262</b>	<b>37,017</b>	<b>36,668</b>	<b>36,668</b>	<b>36,668</b>	<b>52,848</b>	<b>23,165</b>	<b>17,305</b>
Community and social services		16,065	7,488	2,618	34,119	33,770	33,770	33,770	52,378	23,165	17,305
Sport and recreation		134	7,311	5,743	2,898	2,898	2,898	2,898	—	—	—
Public safety		5,632	15	1,901	—	—	—	—	—	—	—
Housing		—	945	—	—	—	—	—	470	—	—
Health		—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>76,535</b>	<b>96,613</b>	<b>99,488</b>	<b>254,207</b>	<b>369,813</b>	<b>369,813</b>	<b>369,813</b>	<b>197,512</b>	<b>211,828</b>	<b>213,702</b>
Planning and development		1,373	1,912	7,491	39,186	21,465	21,465	21,465	24,670	35,112	47,802
Road transport		75,162	94,701	91,997	215,021	348,348	348,348	348,348	172,842	176,716	165,900
Environmental protection		—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>81,410</b>	<b>80,622</b>	<b>47,477</b>	<b>202,784</b>	<b>261,549</b>	<b>261,549</b>	<b>261,549</b>	<b>313,139</b>	<b>299,417</b>	<b>358,206</b>
Electricity		22,536	7,897	8,821	45,514	41,623	41,623	41,623	28,739	21,004	29,107
Water		42,209	36,945	31,495	109,019	169,053	169,053	169,053	238,277	232,789	295,901
Waste water management		—	27,534	6,793	28,943	38,872	38,872	38,872	34,223	29,324	6,234
Waste management		16,666	8,245	369	19,308	12,000	12,000	12,000	11,900	16,300	26,964
<b>Other</b>		<b>—</b>	<b>737</b>	<b>873</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>194,948</b>	<b>236,732</b>	<b>230,742</b>	<b>522,517</b>	<b>698,262</b>	<b>698,262</b>	<b>698,262</b>	<b>582,416</b>	<b>557,834</b>	<b>622,618</b>
<b>Funded by:</b>											
National Government		90,336	163,788	176,109	418,672	502,691	502,691	502,691	406,592	424,738	453,671
Provincial Government		—	—	—	—	3,000	3,000	3,000	30,000	—	—
District Municipality		—	—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>	<b>4</b>	<b>90,336</b>	<b>163,788</b>	<b>176,109</b>	<b>418,672</b>	<b>505,691</b>	<b>505,691</b>	<b>505,691</b>	<b>436,592</b>	<b>424,738</b>	<b>453,671</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>2,886</b>	<b>3,904</b>	<b>4,072</b>	<b>3,150</b>	<b>5,042</b>	<b>5,042</b>	<b>5,042</b>	<b>3,058</b>	<b>3,425</b>	<b>3,836</b>
<b>Borrowing</b>	<b>6</b>	<b>33,130</b>	<b>28,497</b>	<b>15,044</b>	<b>40,656</b>	<b>108,496</b>	<b>108,496</b>	<b>108,496</b>	<b>35,280</b>	<b>—</b>	<b>—</b>
<b>Internally generated funds</b>		<b>68,597</b>	<b>40,544</b>	<b>35,517</b>	<b>60,039</b>	<b>79,033</b>	<b>79,033</b>	<b>79,033</b>	<b>107,486</b>	<b>129,672</b>	<b>165,111</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>194,948</b>	<b>236,732</b>	<b>230,742</b>	<b>522,517</b>	<b>698,262</b>	<b>698,262</b>	<b>698,262</b>	<b>582,416</b>	<b>557,834</b>	<b>622,618</b>

## **Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. R582 million has been allocated for 2015/16 and an increase in 2017/18 amounting to R623 million.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds the availability of internal reserves will depend largely on collection of outstanding debts. For 2015/16, capital grants totals R437 million, decrease to R425 million by 2016/17 and increase to R454 million by 2017/18. Borrowing has been provided at R35 million for 2015/16 with internally generated funding totaling R107 million, R130 million and R165 million for each of the respective financial years of the MTREF.
5. The grants in-kind allocation for the 2015/2016 budget year amounts to R82 million.
6. The allocation of the capital funding on projects was based on the municipal priorities informed by the public participation and consultative process conducted during the review of the Integrated Development Plan (IDP).
7. The municipality will be spending in the next three years R1 395 billion (79 per cent) of the total capital expenditure budget) on services infrastructure development to address backlogs.

MP322 Mbombela - Table A6 Budgeted Financial Position

M 322 Mumbai - Table A: Budgeted Financial Position											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		35 792	19 558	96 112	310 163	153 786	153 786	153 786	274 737	447 311	665 662
Call investment deposits	1	—	—	—	—	—	—	—	—	—	—
Consumer debtors	1	66 194	111 477	106 211	107 447	100 403	100 403	100 403	119 818	78 030	71 041
Other debtors		93 011	38 460	56 729	17 566	—	—	—	—	—	—
Current portion of long-term receivables		65	18	38	—	2 571	2 571	2 571	—	—	—
Inventory	2	14 880	20 144	20 570	15 573	21 005	21 005	21 005	21 878	21 902	22 365
<b>Total current assets</b>		<b>209 942</b>	<b>189 657</b>	<b>279 661</b>	<b>450 748</b>	<b>277 765</b>	<b>277 765</b>	<b>277 765</b>	<b>416 433</b>	<b>547 243</b>	<b>759 069</b>
<b>Non current assets</b>											
Long-term receivables		633	473	434	—	421	421	421	409	396	385
Investments		13 633	13 696	14 384	38 737	15 657	15 657	15 657	17 042	18 550	20 191
Investment property		341 310	336 361	334 168	338 959	310 776	310 776	310 776	288 554	265 855	243 514
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	5 194 556	5 131 021	5 151 359	5 877 608	5 304 088	5 304 088	5 304 088	5 582 670	5 906 357	6 278 031
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		5 982	5 694	5 472	—	5 956	5 956	5 956	5 777	5 604	5 436
Other non-current assets		—	—	—	—	—	—	—	—	—	—
<b>Total non current assets</b>		<b>5 556 114</b>	<b>5 487 244</b>	<b>5 505 817</b>	<b>6 255 304</b>	<b>5 636 897</b>	<b>5 636 897</b>	<b>5 636 897</b>	<b>5 894 451</b>	<b>6 196 761</b>	<b>6 547 556</b>
<b>TOTAL ASSETS</b>		<b>5 766 056</b>	<b>5 676 901</b>	<b>5 785 477</b>	<b>6 706 053</b>	<b>5 914 662</b>	<b>5 914 662</b>	<b>5 914 662</b>	<b>6 310 885</b>	<b>6 744 004</b>	<b>7 306 625</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	15 385	14 260	16 017	17 406	16 828	16 828	16 828	18 600	20 560	23 451
Consumer deposits		10 163	19 818	22 262	13 038	22 708	22 708	22 708	22 935	23 393	23 861
Trade and other payables	4	530 688	623 103	799 321	226 738	428 099	428 099	428 099	355 793	346 821	375 874
Provisions		—	11 276	4 639	11 797	8 517	8 517	8 517	7 777	7 345	7 198
<b>Total current liabilities</b>		<b>556 235</b>	<b>668 456</b>	<b>842 239</b>	<b>268 979</b>	<b>476 152</b>	<b>476 152</b>	<b>476 152</b>	<b>405 105</b>	<b>398 119</b>	<b>430 385</b>
<b>Non current liabilities</b>											
Borrowing		357 050	189 428	226 517	363 887	313 504	313 504	313 504	339 393	318 833	295 382
Provisions		111 762	221 987	259 077	112 422	278 942	278 942	278 942	300 179	323 498	348 800
<b>Total non current liabilities</b>		<b>468 813</b>	<b>411 415</b>	<b>485 594</b>	<b>476 309</b>	<b>592 446</b>	<b>592 446</b>	<b>592 446</b>	<b>639 573</b>	<b>642 331</b>	<b>644 182</b>
<b>TOTAL LIABILITIES</b>		<b>1 025 048</b>	<b>1 079 871</b>	<b>1 327 833</b>	<b>745 288</b>	<b>1 068 598</b>	<b>1 068 598</b>	<b>1 068 598</b>	<b>1 044 677</b>	<b>1 040 450</b>	<b>1 074 566</b>
<b>NET ASSETS</b>	5	<b>4 741 008</b>	<b>4 597 030</b>	<b>4 457 644</b>	<b>5 960 765</b>	<b>4 846 064</b>	<b>4 846 064</b>	<b>4 846 064</b>	<b>5 266 208</b>	<b>5 703 554</b>	<b>6 232 059</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		4 741 008	4 597 030	4 457 644	5 960 765	4 846 064	4 846 064	4 846 064	5 266 208	5 703 554	6 232 059
Reserves	4	—	—	—	—	—	—	—	—	—	—
Minorities' interests		—	—	—	—	—	—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>4 741 008</b>	<b>4 597 030</b>	<b>4 457 644</b>	<b>5 960 765</b>	<b>4 846 064</b>	<b>4 846 064</b>	<b>4 846 064</b>	<b>5 266 208</b>	<b>5 703 554</b>	<b>6 232 059</b>

## **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

## Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The above table reflects that the municipality will be able to improve its cashflow position from R154 million in 2014/15 (50 percent) to R275 million in 2015/2016 and increases to R666 million in 2017/18 financial year.
5. The cash inflows will be generated from operating activities amounting to R2 575 billion and financing activities amounting to R45 million.
6. The cash received will be utilised for operating activities amounting to R1 901 billion, investing (capital expenditure) activities amounting to R582 million and financing activities (repayment of borrowings) amounting to R19 million.

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	35,792	19,558	96,112	310,163	153,786	153,786	153,786	274,737	447,311	665,662
Other current investmets > 90 days		0	0	0	0	(0)	(0)	(0)	-	-	-
Non current assets - Investmets	1	13,633	13,696	14,384	38,737	15,657	15,657	15,657	17,042	18,550	20,191
<b>Cash and investments available:</b>		<b>49,425</b>	<b>33,255</b>	<b>110,496</b>	<b>348,900</b>	<b>169,443</b>	<b>169,443</b>	<b>169,443</b>	<b>291,779</b>	<b>465,860</b>	<b>685,853</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		104,132	138,521	295,056	51,123	201,361	201,361	201,361	142,233	134,922	142,137
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	281,165	351,513	357,384	62,433	134,268	134,268	134,268	92,815	132,602	161,040
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>385,297</b>	<b>490,034</b>	<b>652,439</b>	<b>113,557</b>	<b>335,629</b>	<b>335,629</b>	<b>335,629</b>	<b>235,048</b>	<b>267,525</b>	<b>303,177</b>
<b>Surplus(shortfall)</b>		<b>(335,872)</b>	<b>(456,779)</b>	<b>(541,943)</b>	<b>235,343</b>	<b>(166,187)</b>	<b>(166,187)</b>	<b>(166,187)</b>	<b>56,731</b>	<b>198,336</b>	<b>382,676</b>

## Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.



- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF was not funded owing to the significant deficit.
- As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
- As can be seen the budget has been modeled to progressively move from a shortfall of (R166) million in 2014/15 to a surplus of R383 million by 2017/18.

MP322 Mbombela - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	151,079	163,023	161,218	204,222	327,951	327,951	305,996	247,634	291,427
Infrastructure - Road transport		44,600	117,921	83,741	84,742	121,597	121,597	110,587	87,420	80,975
Infrastructure - Electricity		13,277	2,851	4,068	19,034	39,931	39,931	8,459	10,140	13,158
Infrastructure - Water		38,500	—	36,345	65,448	93,745	93,745	89,050	67,099	93,068
Infrastructure - Sanitation		14,224	20,146	16,733	7,032	16,683	16,683	9,700	11,000	1,700
Infrastructure - Other		4,533	1,802	2,840	6,870	17,249	17,249	5,600	13,115	16,964
Infrastructure		115,134	142,720	143,727	183,126	289,205	289,205	223,396	188,774	205,864
Community		5,825	17,361	6,660	5,183	8,053	8,053	23,901	4,450	4,050
Heritage assets		1,414	367	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		27,832	859	7,221	15,913	30,693	30,693	40,310	34,613	57,145
Agricultural Assets		—	1,716	179	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		875	—	3,431	—	—	—	18,388	19,796	24,367
<b>Total Renewal of Existing Assets</b>	2	43,869	73,709	69,523	318,296	370,310	370,310	276,420	310,200	331,346
Infrastructure - Road transport		29,940	37,383	24,202	100,845	138,683	138,683	67,498	84,286	92,419
Infrastructure - Electricity		7,208	1,288	4,753	21,042	49,036	49,036	20,280	10,864	15,949
Infrastructure - Water		540	27,044	12,946	77,494	18,733	149,227	165,691	202,833	202,833
Infrastructure - Sanitation		2,748	607	2,872	69,227	84,869	84,869	24,523	18,324	4,534
Infrastructure - Other		—	1,795	14,436	22,767	48,545	48,545	500	1,500	1,500
Infrastructure		40,436	68,117	59,209	291,375	339,868	339,868	262,028	280,664	317,236
Community		919	1,480	919	5,971	5,971	5,971	8,842	21,814	5,710
Heritage assets		—	—	2,127	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		1,363	4,112	7,268	20,950	24,472	24,472	5,550	7,722	8,400
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		1,151	—	—	—	—	—	—	—	—
<b>Total Capital Expenditure</b>	4	194,948	236,732	230,742	522,517	698,262	698,262	582,416	557,834	622,772
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		1,120,929	1,176,975	1,179,329	1,524,764	1,324,764	1,324,764	1,355,259	1,486,365	1,518,092
Infrastructure - Electricity		477,591	501,471	502,473	564,287	564,287	564,287	575,573	587,084	598,826
Infrastructure - Water		1,037,938	1,089,834	1,092,014	1,236,277	1,136,277	1,136,277	1,161,003	1,286,223	1,311,947
Infrastructure - Sanitation		572,516	601,142	602,344	638,308	638,308	638,308	698,134	664,096	677,378
Infrastructure - Other		79,445	564,769	565,898	511,313	411,313	411,313	521,539	531,970	642,609
Infrastructure		3,288,419	3,934,191	3,942,060	4,474,949	4,074,949	4,074,949	4,311,507	4,555,737	4,748,852
Community		1,198,731	1,196,829	1,209,300	1,402,659	1,229,139	1,229,139	1,271,162	1,350,620	1,528,554
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		341,310	336,361	334,168	338,959	310,776	310,776	288,554	265,855	243,514
Other assets		707,406	—	—	—	—	—	—	—	—
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		5,982	5,694	5,472	—	5,956	5,956	5,777	5,604	5,436
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	5,541,848	5,473,075	5,490,998	6,216,567	5,620,819	5,620,819	5,877,001	6,177,815	6,526,356
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		291,288	240,802	217,955	234,411	211,098	211,098	191,056	197,235	203,613
<b>Repairs and Maintenance by Asset Class</b>	3	133,564	153,645	148,020	119,283	172,915	172,915	162,939	175,083	186,280
Infrastructure - Road transport		48,307	36,842	47,803	54,469	60,197	60,197	70,692	77,223	83,238
Infrastructure - Electricity		25,046	29,027	35,373	20,619	33,160	33,160	32,643	34,533	36,536
Infrastructure - Water		13,452	22,165	4,661	1,856	7,498	7,498	7,873	8,267	8,680
Infrastructure - Sanitation		10,767	14,528	—	1,873	6,399	6,399	6,719	7,055	7,408
Infrastructure - Other		10,831	15,417	1,299	641	3,893	3,893	9,953	10,470	11,012
Infrastructure		108,404	117,987	89,135	79,458	111,147	111,147	127,880	137,548	146,875
Community		15,773	28,076	8,703	7,405	14,600	14,600	9,091	10,114	11,322
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		9,387	7,588	50,182	32,420	47,168	47,168	25,967	27,421	28,084
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	6, 7	424,852	394,447	365,974	353,694	384,013	384,013	353,996	372,318	389,893
<b>Renewal of Existing Assets as % of total capex</b>		22.5%	31.1%	30.1%	60.9%	53.0%	53.0%	47.5%	55.6%	53.2%
<b>Renewal of Existing Assets as % of deprecn"</b>		15.1%	30.6%	31.9%	135.8%	175.4%	175.4%	144.7%	157.3%	162.7%
<b>R&amp;M as a % of PPE</b>		2.6%	3.0%	2.9%	2.0%	3.3%	3.3%	2.9%	3.0%	3.0%
<b>Renewal and R&amp;M as a % of PPE</b>		3.0%	4.0%	4.0%	7.0%	10.0%	10.0%	7.0%	8.0%	8.0%



## Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. For the 2015/2016 financial year, 36 percent or (R128 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 17 percent (R63 million), followed by Electricity by 9.22 percent (R33 million), Other assets at 7.33 percent (R26 million), Infrastructure other at 2.8 percent (R10 million).

MP322 Mbombela - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		60 000	60 000	60 000	61 200	61 200	61 200	62 424	62 424	62 424
Piped water inside yard (but not in dwelling)		45 000	45 000	45 000	45 900	45 900	45 900	46 818	46 818	46 818
Using public tap (at least min.service level)	2	—	—	—	—	—	—	—	—	—
Other water supply (at least min.service level)	4	36 000	36 000	36 000	36 720	36 720	36 720	37 454	37 454	37 454
<i>Minimum Service Level and Above sub-total</i>		141 000	141 000	141 000	143 820	143 820	143 820	146 696	146 696	146 696
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	21 000	21 000	21 000	21 420	21 420	21 420	21 848	21 848	21 848
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		21 000	21 000	21 000	21 420	21 420	21 420	21 848	21 848	21 848
<b>Total number of households</b>	5	162 000	162 000	162 000	165 240	165 240	165 240	168 545	168 545	168 545
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		45 000	45 000	45 000	45 450	45 450	45 450	45 905	45 905	45 905
Flush toilet (with septic tank)		6 480	6 480	6 480	6 480	6 480	6 480	6 545	6 545	6 545
Chemical toilet		2 430	2 430	2 430	2 454	2 454	2 454	2 479	2 479	2 479
Pit toilet (ventilated)		70 632	70 632	70 632	71 338	71 338	71 338	72 052	72 052	72 052
Other toilet provisions (> min.service level)		37 458	37 458	37 458	39 517	39 517	39 517	41 474	41 474	41 474
<i>Minimum Service Level and Above sub-total</i>		162 000	162 000	162 000	165 240	165 240	165 240	168 454	168 454	168 454
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	162 000	162 000	162 000	165 240	165 240	165 240	168 454	168 454	168 454
<b>Energy:</b>										
Electricity (at least min.service level)		145 800	145 800	145 800	147 258	147 258	147 258	148 731	148 731	148 731
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		145 800	145 800	145 800	147 258	147 258	147 258	148 731	148 731	148 731
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		16 200	16 200	16 200	17 982	17 982	17 982	19 723	19 723	19 723
<i>Below Minimum Service Level sub-total</i>		16 200	16 200	16 200	17 982	17 982	17 982	19 723	19 723	19 723
<b>Total number of households</b>	5	162 000	162 000	162 000	165 240	165 240	165 240	168 454	168 454	168 454
<b>Refuse:</b>										
Removed at least once a week		47 628	47 628	47 628	48 104	48 104	48 104	48 585	48 585	48 585
<i>Minimum Service Level and Above sub-total</i>		47 628	47 628	47 628	48 104	48 104	48 104	48 585	48 585	48 585
Removed less frequently than once a week		1 944	1 944	1 944	1 963	1 963	1 963	1 983	1 983	1 983
Using communal refuse dump		2 754	2 754	2 754	2 782	2 782	2 782	2 809	2 809	2 809
Using own refuse dump		96 552	96 552	96 552	97 518	97 518	97 518	98 493	98 493	98 493
Other rubbish disposal		13 122	13 122	13 122	14 873	14 873	14 873	16 584	16 584	16 584
No rubbish disposal		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		114 372	114 372	114 372	117 136	117 136	117 136	119 869	119 869	119 869
<b>Total number of households</b>	5	162 000	162 000	162 000	165 240	165 240	165 240	168 454	168 454	168 454
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		161 773	121 178	121 178	121 178	121 178	121 178	121 178	121 178	121 178
Sanitation (free minimum level service)		161 773	121 178	121 178	121 178	121 178	121 178	121 178	121 178	121 178
Electricity/other energy (50kwh per household per month)		5 625	10 215	10 419	13 446	13 446	13 446	12 178	12 178	12 178
Refuse (removed at least once a week)		1 219	2 207	2 251	13 446	13 446	13 446	12 178	12 178	12 178
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		21 778	39 323	40 109	72 790	72 790	72 790	82 699	82 663	97 231
Sanitation (free sanitation service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		4 500	9 271	9 457	34 819	34 819	34 819	35 863	36 939	38 047
Refuse (removed once a week)		1 535	2 170	2 213	30 754	30 754	30 754	31 677	32 627	33 606
<b>Total cost of FBS provided (minimum social package)</b>		27 813	50 764	51 779	138 363	138 363	138 363	150 239	152 229	168 884
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		—	—	—	—	—	—	—	—	—
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		3 019	4 981	5 080	5 304	5 304	5 304	5 570	5 848	6 141
Property rates (other exemptions, reductions and rebates)		77 651	108 690	110 864	121 433	121 433	121 433	162 878	172 707	183 128
Water		32 198	39 323	40 109	149 883	149 883	149 883	157 377	165 246	173 509
Sanitation		581	—	—	149 883	149 883	149 883	157 377	165 246	173 509
Electricity/other energy		5 355	—	—	6 221	6 221	6 221	6 532	6 858	7 201
Refuse		1 627	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
<b>Total revenue cost of free services provided (total social package)</b>	6	120 431	152 994	156 054	432 724	432 724	432 724	489 735	515 906	543 487

### **Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. It is anticipated that these Free Basic Services will cost the municipality R150 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.
2. In addition to the Free Basic Services, the Municipality also 'gives' households R490 million in free services in 2015/16.

FINAL

# **PART 2 – SUPPORTING DOCUMENTATION**

## **2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

### **2.1.1 Budget process overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 21 August 2014. Key dates applicable to the process were:

#### **(a) Planning Phase**

The Mayor tabled in Council the required the IDP and budget time schedule on 21 August 2014 – council resolution (A4). The following process was followed during the review of MLM IDP and Budget for 2015/2016.

#### **(b) Analysis Phase**

Community based Planning (CBP) meetings took place during 01- 30 September 2014 and the zonal meetings were held on the 9,16,17,28 and 31 October 2014. The main aim of the meetings was to report on the municipality performance and achievements of the previous financial year and also to give the communities an opportunity to raise and confirm priority issues that need to be addressed within the next 2015/2016 financial year.

#### **(c) Strategy Phase**

A Mayoral Lekgotla was held on the 13 November 2014 and a follow up was held on the 8- 11 December 2014 to refine and confirm the municipal strategic objectives and priorities for 2015/2016 IDP Review based on the community needs as outlined in table below and the national, provincial, district priorities.

The Mayoral Lekgotla) which was attended by Executive, Mayor, Speaker, Chief Whip, MMCs (political office bearers), Chairpersons of Section 79 Oversight Committees, Municipal Manager, General Managers and Senior Managers also reviewed the municipal performance in 2013/2014 and re-confirmed the municipality's IDP development priorities.

#### **(d) Project Phase**

On 04 to 06 March 2015, the municipality held another Mayoral Lekgotla to identify programmes and projects that must be prioritised in the 2015/2016 IDP Review and budget.

#### **(e) Integration Phase**

During the finalisation of IDP projects, the municipality has considered programmes from sector departments and other governmental parastatals such as ESKOM, and the projects are included in Chapter 6 of the revised 2015 - 2018 IDP, a workshop for councilors was held on the 26 May 2015.

The municipality has approved the Spatial Development Framework (SDF) to guide all the future development, and is in the process of developing and reviewing the key sector plans that will assist in achieving the constitutional obligations. The sector plans amongst others include the Long term strategic plan (Vision 2030), Local Economic Development Strategy, Environmental Management Framework, Integrated Waste Management Plan, Comprehensive Infrastructure Plan and Disaster Management Plan.

#### **(f) Public Participation and consultative process**

The public participation and consultative process with regard to the approved final IDP and budget was held in 5 zonal meetings with local communities from 21 April to 06 May, furthermore a consultation meeting was held on the 05 May 2015 with organized stakeholders such as Kruger Lowveld Chamber Business and Tourism (KLCBT), NAFCOC, Ratepayers Association and Farmers Association.

The traditional Leaders were consulted on an individual basis by the Office of the speaker from 23 April to 15 May 2015.

The municipality also had an engagement exercise with National treasury on 19 May 2015 with regards to the 2015/2016 adopted draft IDP and Budget. The exercise was conducted with the objective of assessing the credibility of IDP and budget adopted by the municipality. Some of the inputs and comments received during the participation were considered on the finalization of the 2015/2016 budget and some will be considered during the 2016/2017 budget process.

#### **(g) Approval Phase**

The Final 2015/16 Budget was tabled before council for approval on the 28 May 2015. The notice on was advertised on local print media on 26 and 28 May 2015. Moreover, the document is also placed on the municipal website and in all the municipal service centres i.e Nelspruit Civic Centre, White River Civic Centre, Hazyview Civic Centre, Kabokweni Civic Centre, Kanyamazane Civic Centre and Matsulu Civic Centre on 12 May 2015 for public awareness on the approval draft budget.

### **2.1.2 IDP and service delivery and budget implementation plan**

It started in August 2014 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2015/16 MTREF.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- (a) Registration of community needs;
- (b) Compilation of departmental business plans including key performance indicators and targets;
- (c) Financial planning and budgeting process;
- (d) Public participation process;
- (e) Compilation of the SDBIP, and
- (f) The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **2.1.3 Financial modelling and key planning drivers**

As part of the compilation of the 2015/2016 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 – 2017/2018 annual budget and MTREF:

- (a) Municipality's growth
- (b) Policy priorities and strategic objectives
- (c) Asset maintenance
- (d) Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- (e) Performance trends
- (f) The approved 2014/15 adjustments budget and performance against the SDBIP
- (g) Cash Flow Management
- (h) Debtor payment levels
- (i) Loan and investment possibilities
- (j) The need for tariff increases versus the ability of the community to pay for services
- (k) Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars in relation to municipal budget process has been taken into consideration in the planning and prioritisation process.

#### **2.1.4 Community consultation**

Chapter 4 of the MSA states that municipalities must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must encourage, and create conditions for the local community to participate in the affairs of the municipality including the preparation, implementation and review of its IDP, Budget and Performance Management System. It furthermore states that participation by the local community must take place through Political Structures, Ward Committees and Councilors. In compliance to this, MLM has adopted Public participation policy, Community Based Planning policy and policy on Ward

#### **2.1.5 Committees and participation**

The participation of communities is driven through a Ward Committee System managed by the Public Participation Unit in the Office of the Speaker and the IDP Representative Forum. The central role of Ward Committees is to facilitate local community participation in decisions which affect the local community, to articulate local community interests and to represent these interests within the municipal governing structures. MLM's public participation process comprises of registration of ward needs, specific Ward Imbizo(s) and participation sessions and comments on the IDP.

Key to the participation process is a Needs Database developed per ward and managed by the Office of the Executive Mayor and Municipal Manager through the Corporate Strategy (IDP Unit). This database comprises of an inventory of development issues and needs recorded in each of the wards in Mbombela over a number of years. This Needs Database serves as the basis for community consultation and participation in the municipality and as inputs to the Departmental Business Planning process. During each annual IDP review process, Ward Committees and Ward Councilors are given an opportunity to update the priority issues and needs for their specific ward areas. This process takes place at the beginning of the revision process. The updated Needs Database informs the business plan formulation process conducted by various line functional departments of the municipality.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA.

## **2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable



development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- (a) Green Paper on National Strategic Planning of 2009;
- (b) Government Programme of Action;
- (c) Development Facilitation Act of 1995;
- (d) Provincial Growth and Development Strategy (GGDS);
- (e) National and Provincial spatial development perspectives;
- (f) Relevant sector plans such as transportation, legislation and policy;
- (g) National Key Performance Indicators (NKPIs);
- (h) Accelerated and Shared Growth Initiative (ASGISA);
- (i) National 2014 Vision;
- (j) National Spatial Development Perspective (NSDP); and
- (k) The National Priority Outcomes.

### **2.2.1 National priorities**

The President on his 2015 State of the Nation Address mentioned five national priorities which should be embedded by all spheres of government on the planning and budgeting processes for the medium-term. The government has introduced the New Growth Plan that will guide the work of all spheres of government in achieving the goals relating to these national priorities within the premise that the creation of decent work is at the centre of our economic policies.

The five national priorities are;

- (a) Creating decent jobs;
- (b) Improving the quality of education;
- (c) Enhancing health services;
- (d) Enhancing rural development and agrarian; and
- (e) Fight against crime and corruption.

In His address, the President has further declared 2015 as a year of job creation. The municipalities should align their programmes with the job creation imperative.

To achieve this national priority, municipalities are urged to when drafting 2015/2016 budgets to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to

participate fully in the EPWP. The municipality ought to focus on maximizing its contribution to job creation by;

- (a) Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- (b) Ensuring that service providers use labour intensive approaches.
- (c) Supporting labour intensive LED projects.
- (d) Participating fully in the EPWP/National youth service plan NYDP.
- (e) Implementing interns programmes to provide young people with on-the-job training

The Constitution requires local government to relate its management, budgeting and planning functions to achieve its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's seven strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

## 2.2.2 IDP strategic objectives

### The municipality's development priority and objectives

IDP Development priority	IDP Development objective
Institutional development and transformation	<ul style="list-style-type: none"> <li>To build strong sustainable governance and institutional structures and arrangements</li> <li>To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government</li> </ul>
Infrastructure and sustainable services	<ul style="list-style-type: none"> <li>To strengthen the delivery of basic services and ensure sustainable integrated human settlement supported by infrastructure development</li> </ul>
Rural Development	<ul style="list-style-type: none"> <li>To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development</li> <li>To formulate a broad over-arching human capital and community development</li> </ul>
Economic development	<ul style="list-style-type: none"> <li>To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management</li> </ul>
Financial management and viability	<ul style="list-style-type: none"> <li>To ensure legally sound financial viability and management</li> </ul>
Human capital and community development	<ul style="list-style-type: none"> <li>To formulate a broad over-arching human capital and community development</li> </ul>

2010 Legacy and Flagship projects concept	<ul style="list-style-type: none"> <li>• To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management</li> <li>• To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development</li> <li>• To formulate a broad over-arching human capital and community development</li> <li>• To build strong sustainable governance and institutional structures and arrangements</li> <li>• To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government</li> </ul>
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In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the seven strategic objectives:

#### **Alignment of MLM IDP priorities with National, Provincial and District Priorities**

<b>MILLENNIUM DEVELOPMENT GOALS</b>	<b>IDP PRIORITIES- MUNICIPAL RESPONSE</b>
Develop a Global Partnership for Development	<ul style="list-style-type: none"> <li>➤ 2010 legacy and flagship projects</li> <li>➤ Human capital and community development</li> </ul>
Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> <li>➤ Infrastructure &amp; sustainable services</li> <li>➤ Human capital and community development</li> <li>➤ Economic development</li> <li>➤ Rural development</li> </ul>
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> <li>➤ Human capital and community development</li> <li>➤ 2010 legacy and flagship projects</li> <li>➤ Economic development</li> </ul>
Ensure environmental sustainability	<ul style="list-style-type: none"> <li>➤ 2010 legacy and flagship projects</li> </ul>
Promote gender equality and empower women	<ul style="list-style-type: none"> <li>➤ Human capital and social development</li> <li>➤ 2010 legacy and flagship projects</li> </ul>
<b>NATIONAL PRIORITIES</b>	<b>IDP PRIORITIES- MUNICIPAL RESPONSE</b>
Corruption	<ul style="list-style-type: none"> <li>➤ 2010 legacy and flagship projects</li> </ul>

Education	➤ Human capital and community development
Health	➤ 2010 legacy and flagship projects
The fight against crime	➤ 2010 legacy and flagship projects ➤ Rural development
Creation of decent work & sustainable livelihoods	➤ Economic development ➤ Infrastructure & sustainable services ➤ 2010 legacy and flagship projects ➤ Rural development
Rural development, food security & land reform	➤ Economic development ➤ Infrastructure & sustainable services ➤ Human capital and community development ➤ Rural development
<b>PROVINCIAL PRIORITIES</b>	<b>IDP PRIORITIES- MUNICIPAL RESPONSE</b>
Agriculture	➤ Human capital and community development ➤ Economic development ➤ Rural development
Skills	➤ Human capital and community development ➤ Institutional development & transformation ➤ Infrastructure & sustainable services
Economic growth & job creation	➤ Economic development ➤ 2010 legacy and flagship projects ➤ Rural development
Strategic infrastructure	➤ 2010 legacy and flagship projects ➤ Infrastructure & sustainable services
Tourism, Environment & Cultural Heritage	➤ Human capital & community development ➤ Flagship projects
Social cohesion	➤ Human capital and community development ➤ 2010 legacy and flagship projects
<b>DISTRICT PRIORITIES</b>	<b>IDP PRIORITIES- MUNICIPAL RESPONSE</b>
Basic service and infrastructure development	➤ Infrastructure & sustainable services
Local economic development	➤ Economic development ➤ 2010 legacy and flagship projects
Institutional transformation and development	➤ Institutional development and transformation ➤ 2010 legacy and flagship projects

Financial viability and management	<ul style="list-style-type: none"> <li>➤ 2010 legacy and flagship projects</li> <li>➤ Financial management and viability</li> </ul>
Public participation and good governance	<ul style="list-style-type: none"> <li>➤ Institutional development and transformation</li> <li>➤ 2010 legacy and flagship projects</li> </ul>
Traditional leaders	<ul style="list-style-type: none"> <li>➤ Human capital and community development</li> <li>➤ 2010 legacy and flagship projects</li> </ul>

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the seven strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into six strategic focus areas/objectives as outlined below:

- To initiate a strong and sustainable Local/Regional Economic Development Potential and Sustainable Environmental Management
- To Strengthen the Delivery of Basic Services and ensure Sustained Integrated Human Settlement supported by Infrastructure Development
- To formulate a Broad Over-arching Human Capital and Community Development
- To build strong sustainable governance and institutional structures and arrangements
- To ensure legally sound financial viability and management
- To redefine strategic macro leadership and coordination structures involving the Local, District, Provincial and National Government

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the revision of the IDP, including:

- There was one standardized template used to collect information, where the communities identified their priorities, detailed problem statement and the specific section / village;
- During the consultation, communities were given an opportunity to identify key priority needs and suggest solutions;
- Diverse developmental needs in areas within each ward were noted during the Analysis phase
- Poor attendance in some wards during the consultation meetings has negative effects;
- Consultation with communities for their needs is not the analysis of needs; analysis requires further research, evaluation and a decision making process;
- Communities should be provided with maps of their areas during consultation process to assist the municipality in mapping social needs;

- Government departments and parastatals are not attending IDP meetings even though they are invited;
- Upon the approval of the IDP and Budget, each ward should receive information of all projects/ programmes across the three spheres of government and other stakeholders that will be implemented in their respective wards;
- There is a need for an organized consultation process with sector departments from both the municipality and district perspective.

The 2015/16 – 2017/2018 final budget and MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Annex 22 - Supporting Table 3A: Reconciliation of LRI Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			40,198	41,002	43,462	55,605	58,385	58,385	61,888	68,077	75,566	
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			658,183	671,346	711,627	1,160,966	1,219,015	1,219,015	1,292,155	1,421,371	1,577,722	
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			148,387	151,354	160,436	94,951	99,699	99,699	105,680	116,248	129,036	
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			39,965	40,764	43,210	50,746	53,284	53,284	56,481	62,129	68,963	
To ensure legally sound Financial viability and Management	Financial management & viability			535,980	771,445	749,579	877,117	931,364	931,364	1,047,839	1,138,738	1,266,461	
				-	-	-	-	-	-	-	-	-	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1,422,713	1,675,912	1,708,314	2,239,385	2,361,745	2,361,745	2,564,044	2,806,564	3,117,747



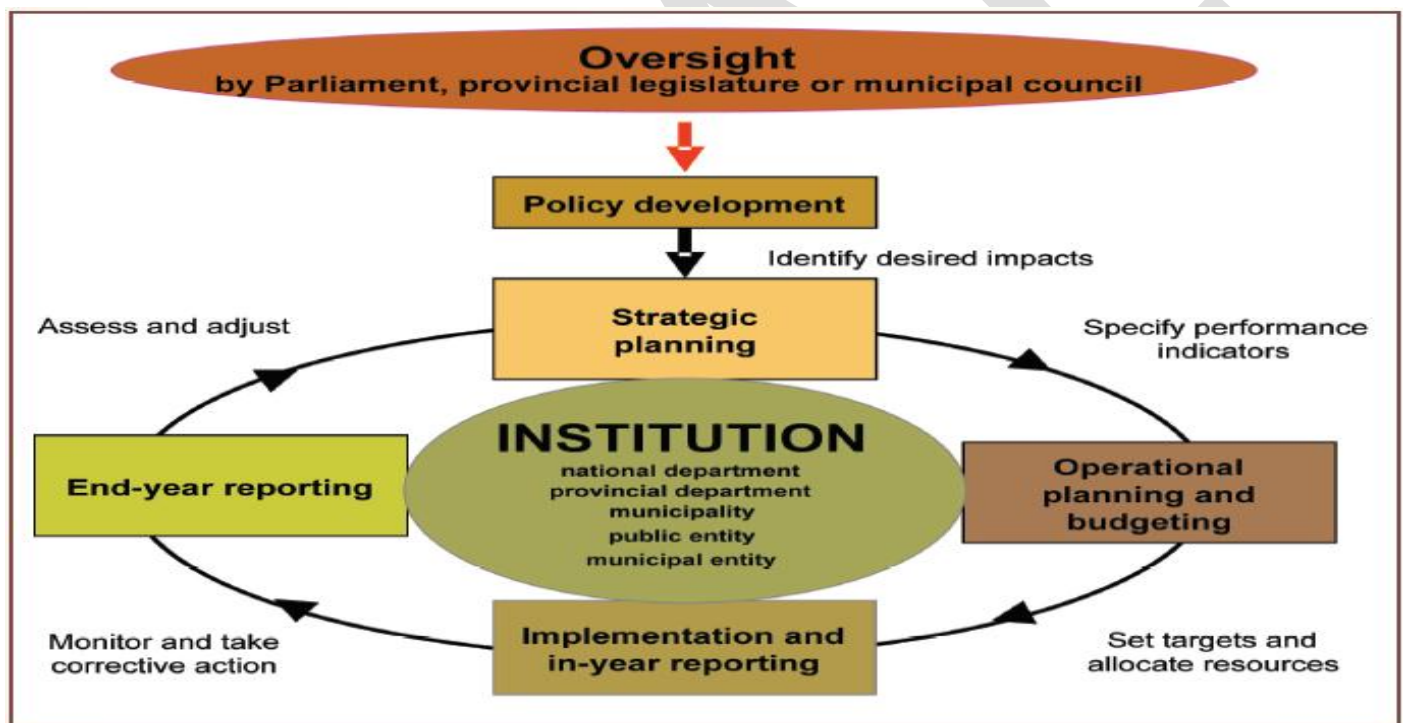
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MP322 Mbombela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
To initiate a strong and sustainable Local/Regional Economic Development	Economic Development	A		16 316	16 349	9 097	3 737	3 924	3 924	27 140	37 029	50 616
		B			-		-	-	-	-	-	-
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Development	Infrastructure & sustainable services	C		141 795	142 079	202 976	444 620	616 111	616 111	503 916	460 689	490 428
		D		-	-		-	-	-	-		
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development	E		35 592	35 663	6 591	45 603	47 883	47 883	29 942	34 442	45 769
		F		-	-		-	-	-	-	-	-
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation	G		1 245	1 247	6 566	14 548	15 275	15 275	14 478	15 696	21 156
		H		-	-		-	-	-			
To ensure legally sound Financial viability and Management	Financial management & viability	I			41 394	5 511	14 010	15 068	15 068	6 939	9 978	14 649
		J				-	-	-	-	-		
		K					-					
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	194 948	236 732	230 742	522 517	698 262	698 262	582 416	557 834	622 618

## 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



**Figure 1 Planning, budgeting and reporting cycle**

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- (a) Planning (setting goals, objectives, targets and benchmarks);
- (b) Monitoring (regular monitoring and checking on the progress against plan);
- (c) Measurement (indicators of success);
- (d) Review (identifying areas requiring change and improvement);
- (e) Reporting (what information, to whom, from whom, how often and for what purpose); and

(f) Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

The following table sets out the municipality's main performance objectives and benchmarks for the 2015/16 MTREF.

**MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks**

MP322 Mombasa - Supporting Table 3A Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Borrowing Management</u></b>											
Credit Rating		A2 za	A2 za	A2 za	A2 za	A2 za	A2 za	A2 za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.6%	4.4%	3.7%	3.6%	3.5%	3.5%	3.5%	3.4%	3.1%	2.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.6%	7.0%	5.8%	5.1%	5.1%	5.1%	5.1%	4.7%	4.3%	3.8%
Borrowed funding of 'own n' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	28.9%	22.1%	102.4%	76.6%	58.0%	58.0%	58.0%	32.9%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.1	1.2	0.3	0.3	0.3	0.8	1.2	1.6
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		90.9%	84.5%	89.9%	97.0%	98.1%	98.1%	98.1%	99.7%	100.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91.0%	84.5%	89.9%	90.5%	91.7%	91.7%	91.7%	99.7%	100.5%	101.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.0%	10.0%	10.6%	7.2%	5.9%	5.9%	5.9%	3.9%	3.4%	2.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	90.0%	90.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		1191.8%	2447.4%	524.7%	56.6%	147.4%	147.4%	147.4%	66.7%	44.2%	34.6%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	68,214	69,587	50,038	45,034	45,034	45,034	45,034	40,531	36,478	32,830
	Total Cost of Losses (Rand '000)	31,000	39,665	34,526	31,074	31,074	31,074	31,074	27,966	25,170	22,626
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)	916	990	1,271	1,144	1,144	1,144	1,144	1,029	926	834
	% Volume (units purchased and generated less units sold)/units purchased and generated	2,391	2,732	3,914	3,522	3,522	3,522	3,522	3,170	2,853	2,568
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.2%	27.7%	29.9%	28.0%	28.2%	28.2%	28.2%	25.6%	26.6%	27.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.6%	29.1%	31.6%	29.6%	29.8%	29.8%		27.0%	27.9%	28.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.0%	10.2%	9.6%	6.9%	9.9%	9.9%		8.6%	8.1%	7.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	25.1%	19.1%	17.6%	16.6%	15.1%	15.1%	15.1%	11.6%	10.7%	9.8%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.8	57.8	23.2	33.8	33.8	33.8	29.3	29.9	29.5	33.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.8%	16.2%	16.0%	10.9%	8.9%	8.9%	8.9%	6.4%	5.5%	4.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.4	0.2	0.8	2.4	1.1	1.1	1.1	2.1	2.9	3.7

### 2.3.1 Financial performance indicators and benchmarks

#### (a) Borrowing management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Mbombela Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF.

*Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It can be noted that the borrowing asset ratio of Mbombela local municipality is increasing for the medium term.

*Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has decreased significantly due to a non-current borrowing of R45 million approved for funding of 2015/16 capital expenditure.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2015/16 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

#### (b) Safety of Capital

*The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.

#### (c) Liquidity

*Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 1.0 in the 2016/17 financial year and 1.4 and 1.8 for 2017/18. Going forward it will be necessary to maintain these levels or even more.

*The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 0.3 and as part of the financial planning strategy it has been increased to 0.8 in the 2015/16 and increasing to 1.2 and 1.6 in 2017/18 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

## **(d) Revenue Management**

As part of the financial sustainability strategy, the municipality has revised its revenue enhancement strategy and theme of the strategy is, “let us make revenue management everyone’s business in the municipality” we believe that through the aggressive implementation of the strategy framework, the financial stability in the short-term and sustainability in the long-term will be achieved. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

## **(e) Creditors Management**

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favourable impact on suppliers’ perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality’s business.

### **2.3.2 Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2015/16 financial year 12,178 registered indigents will be provided for in the budget. In terms of the Municipality’s indigent policy registered households are entitled to 6kℓ fee water, 50 kwh of electricity, 6 kℓ sanitation and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement) .

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

### **2.3.3 Providing clean water and managing waste water**

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Minimum Green Drop certification standards. This has been prioritised as part of the 2015/16 medium term capital budget.

The following is briefly the main challenges facing the Municipality in this regard:

- (a) The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- (b) Shortage of skilled personnel makes proper operations and maintenance difficult;



- (c) Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- (d) There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- (a) Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- (b) The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel;
- (c) The Electricity Division is to install dedicated power supply lines to the plants; and
- (d) The Division is working in consultation with the Department of Water Affairs to address catchment management.
- (e) Updating the infrastructure plan of the municipality.

## **2.4 OVERVIEW OF BUDGET RELATED-POLICIES**

As required by law, the budgeting process is guided and governed by relevant legislations, framework and policies, all the budget related policies must be reviewed annually. Any amendments, additions or deletions have been tabled to Council for approval on 28 May 2015 as final.

Mbombela Local Municipality has reviewed the following Budget Related policies for the financial year 2015/16:

### **2.4.1 Virement policy**

This is a policy that is designed to manage the shifting of funds within and between votes during a financial year. Its main objective is to give guidance to all relevant stakeholders on how to shift and manage funds within their budgets as per approved delegations.

The Municipal Budget and Reporting Regulations (No 3241) and Circular 51 issued by the National Treasury serve as guidelines in implementation of this policy.

### **2.4.2 Budget policy**

The budget policy deals mainly with all matters regarding budget matters. It gives a direction on how all the processes should be followed. The legislative and compliance requirements in terms of time lines are also indicated in this policy.

### **2.4.3 Credit control and debt collection policy and by-laws**

The policy is required in terms of chapter 9 of the Municipal Systems Act (MSA) no 32 of 2000 (s 95, 96, 97 and 98). A policy must be developed in order to provide for a mechanism on which credit control and debt collection measures will be effected. The guidelines required by the Act in terms of s 97(1)(a) – (i) is clearly indicated in the policy.

Section 98 of the MSA further requires that Council must adopt by laws to give effect to the policy, its implementation and enforcement.

There following amendments are incorporated into the policy and or by-law which include amongst others:

- (a) Guideline on development of a policy dealing with deposit structure incorporated into the deposit policy
- (b) Profiling of customers
- (c) Categorisation of debtors
- (d) Collection of outstanding monies as per s118 of the Municipal Systems Act.

#### **2.4.4 Economic investment and promotion policy**

This policy is a newly developed policy from the Local Economic Development unit. Its major objective is to provide a framework for the uniform development of incentives in Mbombela Local Municipality that will assist to

- (a) attract investment.
- (b) return existing investment.
- (c) stimulate and create job opportunities.
- (d) support investment into IDP projects.

As per deliberations, it was agreed that proper enforcement of this policy will have positive and beneficial impact to the municipality. The proposed types of incentives were also look at it was then agreed that a phase in approach as per the provisions Municipal Property Rates Act No 6 of 2004. These provisions are outlined in the Mbombela Local Municipality Property Rates By Law in terms of section 9.4.1(b).

#### **2.4.5 Investment policy**

This policy gives effect to the requirements as set out on s 13(2) of the Municipal Finance Management Act no 56 of 2003 and the Municipal Investment Regulations (Gazette 2743) of April 2005. All investment related practices are guided by the implementation of this policy. It clearly outlines the roles and responsibilities of all role players in the management of the cash resources.

After deliberations during the workshop it was resolved that no proposed amendments.

#### **2.4.6 Funding and reserves policy**

The provisions of the funding and reserves policy are incorporated into the budget policy.

#### **2.4.7 Indigent policy**

The department of Cooperative Governance and Traditional Authorities has issued a guideline on formulation of Indigent Policy. This guideline has been used in developing the Indigent Policy for Mbombela Local Municipality.

EPWP initiatives form part of this indigent policy in job creation for the indigents. The linkage of the Supply Chain Management policy to the Indigent policy must be seriously considered as well as LED policy.

#### **2.4.8 Payroll discrepancy policy**

A policy has been developed in terms of the Basic Conditions of Employment Act No 75 of 1997 s34 (5)(a):

The policy has been developed and its main objectives are:

- (a) To establish policy and procedures for identifying, correcting and recovering salary overpayments and correcting underpayments
- (b) To ensure consistent application of actions taken when implementing the policy
- (c) Establish control measures to mitigate the risk of overpayments and early detection should such occur whether due to human error, technological failure or fraudulent activities.

#### **2.4.9 Supply chain management policy**

Chapter 11 of the Municipal Finance Management Act No 50 of 2003 deals with Goods and Services. In terms of Section 111, each municipality must have and implement a Supply Chain Management policy which gives effect to provisions of this part of the Act.

In August 2005, National Treasury issued Circular 22, Supply Chain Management Model policy. This model policy has been developed to be fully compliant with MFMA.

#### **2.4.10 Supplier performance monitoring policy**

No amendments have been made on this policy.

#### **2.4.11 Contract management policy**

This policy is linked to the supplier performance monitoring policy. It has been developed in terms of s 116(2) of the MFMA. The lack of proper contract management or consistent application of contract management necessitated the development of this policy.

A dedicated unit in the SCM sub directorate with the assistance of the Legal Services within Council will be the key custodians of the policy. The Project Managers and user departments will in terms of the policy be accountable for the specific project whilst it is underway and will work closely with the Contract Management unit to ensure compliance to the policy.

#### **2.4.12 Property rates policy and by law**

The Municipal Property Rates Act no 6 of 2004 provides a framework to which municipalities must comply when imposing rates on properties. S 62 of the MFMA requires that the accounting officer must ensure that the municipality has and implements a rates policy embodied in a bylaw as per s 6 of the MPRA.

In the implementation of the above property rates by law was gazetted on 21 July 2010 as provincial gazette no 1841. As required the following changes were made:

- (a) A condition must be applied, which says that special consent use approved in terms of the applicable town planning schemes be referred to as residential property with special consent
- (b) On rates clearance application, the purchaser should be made aware of the outstanding debt and liability of the debt remaining on the property in terms of s118 of the Municipal Systems Act.
- (c) The rates policy must be aligned to the Municipal Property Rates Act.

#### **2.4.13 Tariff policy and by law**

Section 74 of the Municipal Systems Act no 32 of 2000, provides a framework on the formulation of a tariff policy. This policy together with the by law adopted in terms of Section 75 are part of the budget related policies that must be reviewed annually. A tariff policy consistent with the provisions of the Act has been developed the following amendments were made;

- (a) Percentage or determination thereof of takings which council will charge be mentioned in the policy
- (b) Fees / rental charges for municipal properties to third parties be reviewed. Rental charges of properties be determined through a formal valuation process by the municipal valuer to determine market relatedness.
- (c) All new and expired rentals be charged in accordance with the determined market related values
- (d) Investigation on special tariffs for schools, churches, charities and other qualifying non-profit organisations

#### **2.4.14 Asset management policy**

The safeguarding and maintenance of assets, valuation in accordance with GRAP, maintaining a system of internal control and keeping an asset register are key elements of the Asset Management Framework. In order to ensure above is done in a consistent and legally compliant manner, a policy directive needs to be adopted.

The municipality has recently completed an exercise where the asset base of the municipality was properly quantified and a GRAP compliant asset register completed. An asset management policy is therefore critical as it will ensure that all relevant stakeholders and role players understand their roles and responsibilities.

#### **2.4.15 Insurance policy**

The main objective of the insurance policy is to:

- (a) Create awareness to all employees of the risks associated with all insurable interests
- (b) Ensure reasonable steps are taken to mitigate and minimise all risks
- (c) Identify all potential risks and enforce risk control measures
- (d) Minimise losses by ensuring proper management control housekeeping and maintenance of assets

## 2.5 OVERVIEW OF BUDGET ASSUMPTIONS

### 2.5.1 External factors

Unemployment remains very high and escalating according to the latest unemployment statistics released by Statistics South Africa.

The consequence of slow economic growth and deterioration of the labour market (increase in unemployment rate) will be felt by the municipalities in terms of expectation on revenue growth and cash flows. And therefore a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

The consumer price inflation is expected to stay within the 3 to 6 per cent inflation target band over the forecast period. The forecasted headline inflation for medium-term will be as follows;

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Inflation Outlook	5.6%	6.2%	4.8%	5.5%	5.3%

### 2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2015/16 MTREF no borrowings will be sourced.

### 2.5.4 Collection rate for revenue services

The payment level trend for the past three years, including current financial year until to date is as follows;

Description	Actual 2012/13	Actual 2013/14	Estimate 2014/15	Estimate 2015/16	Forecast 2016/17	Forecast 2017/18
Payment Levels	93%	95%	93%	95%	95%	95%

### 2.5.5 Growth or decline in tax base of the municipality

Despite the global economy weaknesses and projected to be likely to remain so for at least a few more year, the South African economic growth outlook in 2014 to 2018 is expected to be as follows;

Headline inflation forecast over the medium-term

Description	2014 Actual	2015 Actual	2016 Estimate	2017 Forecast	2018 Forecast
Real GDP	2.2%	1.4%	2.0%	2.4%	3.0%

The municipality has revised a revenue enhancement strategy to respond to the challenges encountered by the municipality in revenue generation and collection. The strategy seeks to ensure that there is improvement in payment levels, cash flow and recovery of outstanding debt through the twelve point plan. The revised strategy has been approved by the municipal council on 25 October 2011 and it is believed that through the making revenue management everyone's business in the municipality, the fundamental objectives of the strategy will be achieved.

### **2.5.6 Salary increases**

The employees' remuneration cost will amount to R541 million in 2015/2016 financial year due to an annual increase of R29 million (6%) and R20 million for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 27 per cent. The employees remuneration cost will increase to R618 million in 2017/2018 financial year and the expenditure to the total operating budget will be 29 per cent.

### **2.5.7 Micro or internal environment perspective**

Furthermore from macro environment perspective, and the unfavourable economic conditions more of our people are unemployed which result in shrinking of the current revenue base putting pressure on the current municipal revenue and cashflow over the medium-term over the slow economic growth trends reflect that a convergence of unfavourable global and domestic circumstances of which impact negatively on all spheres of government. The revenue base of the municipality is under pressure as no new revenues are derived at the moment due to the slow economic growth and local circumstances.

As a consequence of the distress economy, the municipality was advised by National Treasury to adopt a conservative approach when projecting the revenue and cashflow for the medium term due to unfavorable and unstable economic conditions and rising inflationary pressures, and the slow growth pace on global and national economy.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

### **2.5.8 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- (a) Creating jobs;
- (b) Enhancing education and skill development;
- (c) Improving Health services;
- (d) Rural development and agriculture; and
- (e) Fighting crime and corruption.

To achieve this national priority, municipalities are urged to when drafting 2015/2016 budgets to continue explore opportunities to promote labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. However, municipalities should not carelessly employ more people



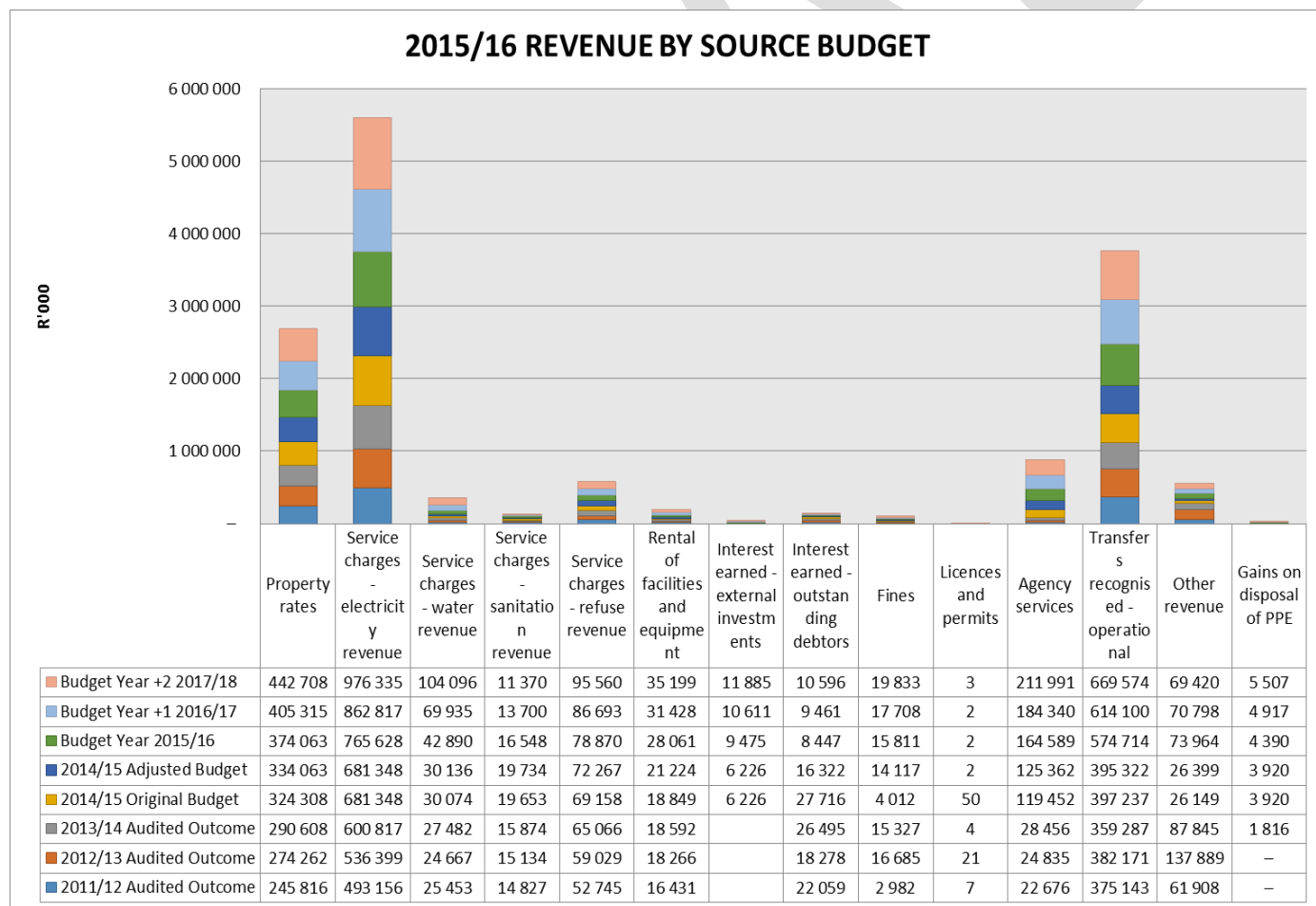
without any reference and consideration to the level of staffing required delivering effective services. Municipalities should focus on maximizing its contribution to job creation by;

- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive Local Economic Development projects.
- Participating fully in the Expanded Public Works Programmes/National youth service plan.
- Implementing interns programmes to provide young people with on-the-job training.

## 2.6 OVERVIEW OF BUDGET FUNDING

### 2.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per revenue source for the 2015/16 financial year.



Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

The revenue strategy is a function of key components such as:

- (a) Growth in the city and economic development;
- (b) Revenue management and enhancement;
- (c) Achievement of a 95% annual collection rate on revenue from rates and services charge;
- (d) National Treasury guidelines;
- (e) Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- (f) Achievement of full cost recovery of specific user charges;
- (g) Determining tariff escalation rate by establishing/calculating revenue requirements;
- (h) The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- (i) And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories are:

<b>Description</b>	<b>2012/13 Actual</b>	<b>2013/14 Actual</b>	<b>2014/15 Actual</b>	<b>2015/16 Proposed</b>	<b>2016/17 Forecast</b>	<b>2017/18 Forecast</b>
Electricity	12.0%	8.0%	8.06%	12.20%	12.20%	12.20%
Water	9.75%	8.0%	8.5%	38.0%	37.0%	35.0%
Sewer	9.75%	8.0%	8.5%	-18.0%	-18.0%	-18.0%
Refuse Removal	10.25%	9.50%	10.0%	8.0%	8.4%	8.8%
Property Rates	6.5%	6.5%	0.0%	6.0%	6.0%	6.0%
Other tariffs	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Sembcorp Water and Sewerage – Domestic users	10.42%	9.0% - 13.5%	10.33%	10.31%	CPI + 3%	CPI + 3%
Sembcorp Water and Sewerage – Business users	10.42%	9.0% - 18.0%	10.33%	10.31%	CPI + 3%	CPI + 3%

## 2.6.2 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of

financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

#### **2.6.4 Funding Compliance measures**

The cash and cash equivalents as reflected on table A7 indicates that the municipality will have positive cash balance at the end of the financial year which is an indication of the minimum requirement as required by MFMA. The forecasted cash and cash equivalents for the Medium Term period is R275 million, R 447 million and R 666 million for each year respectively.

#### **2.6.5 Cash and cash equivalent position**

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2015/16 MTREF shows R275 million, R477 million and R666 million for each respective financial year.

#### **2.6.6 Cash plus investments less application of funds**

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### **2.6.7 Monthly average payments covered by cash or cash equivalents**

The purpose of this measure is to understand the level of financial risk should the municipality be under financial setbacks/risk from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts municipalities improving cash position causes the ratio to move upwards one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward. For the 2014/15 MTREF the indicative outcome shows that the municipality will be able to have cash for 1.8 increasing to 3.7 in 2017/18 which is above the norm of 1 to 3.

#### **2.6.8 Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An

'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2015/16 MTREF the indicative outcome is a surplus of R383 million, R437 million and R533 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### **2.6.9 Property Rates/service charge revenue as a percentage increase less macro inflation target**

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

#### **2.6.10 Cash receipts as a percentage of ratepayer and other revenue**

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 100.4 per cent, 100.1 per cent and 101.8 per cent for each of the respective financial years. Given that the assumed collection rate is based on a 95 per cent performance target, the cash flow statement has been conservatively determined.

#### **2.6.11 Debt impairment expense as a percentage of billable revenue**

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 6 per cent, 5 per cent and 4 per cent over the MTREF.

#### **2.6.12 Capital payments percentage of capital expenditure**

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### **2.6.13 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)**

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 32 per cent and no planned borrowings in the outer years.

#### **2.6.14 Transfers/grants revenue as a percentage of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

#### **2.6.15 Consumer debtors change (Current and Non-current)**

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality policy of settling debtors' accounts within 30 days.

#### **2.6.16 Repairs and maintenance expenditure level**

This measure must be considered important within the context of the funding measures criteria because of a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

#### **2.6.17 Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.7 BUDGET SUPPORTING TABLES

MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		245 816	274 262	290 608	451 045	460 800	460 800	460 800	542 511	583 870	631 977
less Revenue Foregone					126 737	126 737	126 737	126 737	168 448	178 555	189 268
Net Property Rates		245 816	274 262	290 608	324 308	334 063	334 063	334 063	374 063	405 315	442 708
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		493 156	536 399	600 817	681 348	681 348	681 348	681 348	765 628	862 817	976 335
less Revenue Foregone											
Net Service charges - electricity revenue		493 156	536 399	600 817	681 348	681 348	681 348	681 348	765 628	862 817	976 335
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		25 453	24 667	27 482	30 074	30 136	30 136	30 136	42 890	69 935	104 096
less Revenue Foregone											
Net Service charges - water revenue		25 453	24 667	27 482	30 074	30 136	30 136	30 136	42 890	69 935	104 096
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		14 827	15 134	15 874	19 653	19 734	19 734	19 734	16 548	13 700	11 370
less Revenue Foregone											
Net Service charges - sanitation revenue		14 827	15 134	15 874	19 653	19 734	19 734	19 734	16 548	13 700	11 370
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		52 745	59 029	65 066	69 158	72 267	72 267	72 267	78 870	86 693	95 560
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		52 745	59 029	65 066	69 158	72 267	72 267	72 267	78 870	86 693	95 560
<u>Other Revenue by source</u>											
Actuarial gain			63 766								
Other revenue		61 908	72 784	81 326	26 149	26 399	26 399	26 399	73 964	70 798	69 420
Donations received			1 338	6 519							
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EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	389 231	418 218	459 897	263 520	272 651	272 651	272 651	305 039	340 692	368 705
Pension and UIF Contributions					65 184	65 184	65 184	65 184	71 702	81 740	93 184
Medical Aid Contributions					21 796	21 796	21 796	21 796	23 975	27 332	31 158
Overtime					42 460	42 460	42 460	42 460	45 844	53 827	60 331
Performance Bonus					-	-	-	-	-	-	-
Motor Vehicle Allowance					22 680	22 680	22 680	22 680	24 948	28 441	32 422
Cellphone Allowance					2 047	2 047	2 047	2 047	2 251	2 567	2 926
Housing Allowances					2 633	2 633	2 633	2 633	2 897	3 302	3 764
Other benefits and allowances					44 539	44 539	44 539	44 539	48 993	55 852	63 671
Payments in lieu of leave					2 198	2 198	2 198	2 198	2 418	2 756	3 142
Long service awards					925	925	925	925	1 018	1 160	1 323
Post-retirement benefit obligations	4				15 462	15 462	15 462	15 462	17 008	19 389	22 103
sub-total	5	389 231	418 218	459 897	483 443	492 574	492 574	492 574	546 092	617 057	682 730
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	389 231	418 218	459 897	483 443	492 574	492 574	492 574	546 092	617 057	682 730
Contributions recognised - capital											
List contributions by contract											
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
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Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property , Plant & Equipment		291 288	240 802	217 955	234 411	211 098	211 098	211 098	191 056	197 235	203 613
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										-
Total Depreciation & asset impairment	1	291 288	240 802	217 955	234 411	211 098	211 098	211 098	191 056	197 235	203 613
Bulk purchases											
Electricity Bulk Purchases		369 832	419 565	437 831	440 290	446 682	446 682	446 682	467 630	534 220	610 293
Water Bulk Purchases					5 906	-	-	-	59 941	63 837	67 986
Total bulk purchases	1	369 832	419 565	437 831	446 195	446 682	446 682	446 682	527 570	598 057	678 279
Transfers and grants											
Cash transfers and grants		-	25 874	23 707	138 363	148 697	148 697	148 697	150 239	152 229	168 884
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	25 874	23 707	138 363	148 697	148 697	148 697	150 239	152 229	168 884
Contracted services											
List services provided by contract											
Stadium management		168 686	206 545	244 594		-	-	-	-	-	-
Repairs & Maintenance		-	-	-	10 813	10 813	10 813	10 813	19 616	20 611	21 657
Legal Services		-	-	-	-	-	-	-	70 442	74 017	77 774
Information Technology (IT) Services		-	-	-	-	-	-	-	6 144	6 455	6 783
Meter reading services		-	-	-	9 981	9 981	9 981	9 981	11 588	12 176	12 794
Solid Waste Services		-	-	-	3 174	3 174	3 174	3 174	3 335	3 505	3 683
Security Services		-	-	-	15 095	15 095	15 095	15 095	8 234	8 652	9 091
Other Services		-	-	-	27 784	27 784	27 784	27 784	31 951	33 573	35 277
Special IDP Projects		-	-	-	63 277	135 629	135 629	135 629	2 700	2 311	2 405
Audit fees		-	-	-	88 079	88 079	88 079	88 079	122 577	127 815	133 961
Cleansing Services		-	-	-	-	-	-	-	6 474	6 803	7 148
Collection Costs		-	-	-	-	-	-	-	3 299	3 466	3 642
Water Tankers		-	-	-	-	-	-	-	12 436	11 678	11 131
		-	-	-	-	-	-	-	35 257	37 047	38 927
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		-	-	-	-	-	-	-	-	-	-

Other Expenditure By Type											
Collection costs		3 920	3 078	3 209	3 600	-	-	-	6 399	5 247	4 303
Contributions to 'other' provisions						3 600	3 600	3 600	-	-	-
Consultant fees		6 259	-		280	-	-	-	-	-	-
Audit fees		4 132	-		4 573	-	-	-	-	-	-
General expenses	3	325 920	330 005	317 441	-	4 573	4 573	4 573	-	-	-
Clearing of Illegal Dumping						-	-	-	2 276	2 419	2 571
Lecences fees - computer software, TV & Vihicles					-	2 964	2 964	2 964	4 056	4 311	4 581
Telephone						4 388	4 388	4 388	5 800	6 165	6 552
SALGA Membership fees					2 964	4 786	4 786	4 786	5 395	5 734	6 094
Internal Audit - Outsource & water & sewer Purification					4 388	2 578	2 578	2 578	7 257	7 713	8 198
Insurance					4 786	6 799	6 799	6 799	7 411	7 877	8 372
Insurance - WCA					2 578	2 382	2 382	2 382	2 524	2 683	2 851
Conditional Grants & Water Distribution					6 799	2 567	2 567	2 567	10 962	11 651	12 383
Bank Charges					2 382	2 417	2 417	2 417	2 815	2 992	3 180
Skills Development Levy					2 567	4 187	4 187	4 187	4 600	4 889	5 196
Training & Extenal Bursaries					2 417	3 778	3 778	3 778	7 201	7 653	8 134
Provincial Motor Vehicle Licence Fees					4 187	64 802	64 802	64 802	60 440	74 237	78 902
Water and Sewearge - Concession Area					3 778	9 908	9 908	9 908	9 539	10 138	10 776
Electricity - Eskom					64 802	-	-	-	2 271	2 413	2 565
IDP Projects					9 908	39 473	39 473	39 473	48 251	47 723	61 618
Other Expenditure				15 952	14 705	7 300	7 300	7 300	7 120	9 832	11 713
Fair Value Adjustment & Rentals			1 760		39 473	-	-	-	998	1 061	1 127
Protective Clothing & Refreshment					-	-	-	-	4 256	4 524	4 808
CUSTOMER PAYMENT DISCOUNT					-	-	-	-	12 141	13 665	15 486
Congress & Conferences, Recruitment Selection					-	-	-	-	1 574	1 673	1 778
Printing & Stationery, Postage & Stamps								-	5 710	6 068	6 450
Travelling & Accommodation & Public Participation								-	5 652	6 007	6 385
Total 'Other' Expenditure	1	340 231	334 844	336 602	174 187	166 501	166 501	166 501	224 647	246 675	274 021
Repairs and Maintenance											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	0	-
Other Expenditure		133 564	133 783	148 020	119 283	172 915	172 915		191 434	205 101	217 903
Total Repairs and Maintenance Expenditure	9	133 564	133 783	148 020	119 283	172 915	172 915	-	191 434	205 101	217 903

MP322 Mbombela - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																	
Description	Ref	Vote 1 - COUNCIL	Vote 2 - COUNCIL SUPPORT	Vote 3 - PLANNING, PERFORMAN NCE & MANAGER	Vote 4 - MUNICIPAL MANAGER	Vote 5 - DEPUTY MUNICIPAL MANAGER	Vote 6 - FINANCIAL SERVICES	Vote 7 - TRANSVERA L	Vote 8 - CORPORATE SERVICES	Vote 9 - COMMUNITY SERVICES	Vote 10 - MUNICIPAL PLANNING & DEVELOPME NT	Vote 11 - INFRASTRU CTURE DEVELOPME NT	Vote 12 - WATER & SANITATION	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	529 175	-	-	-	-	-	-	-	-	-	529 175
Property rates - penalties & collection charges		-	-	-	-	-	(169 383)	-	-	-	-	-	-	-	-	-	(169 383)
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	741 660	-	-	-	-	741 660
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	24 899	-	-	-	24 899
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	16 301	-	-	-	16 301
Service charges - refuse revenue		-	-	-	-	-	-	-	-	78 758	-	-	-	-	-	-	78 758
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	27 810	-	-	-	-	-	-	27 810
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors		-	-	-	-	-	27 477	-	-	-	-	-	-	-	-	-	27 477
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	15 811	-	-	-	-	-	-	15 811
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	150 436	-	-	-	-	-	-	150 436
Other revenue		-	-	-	-	-	20 983	-	256	44 156	2 918	8 494	11 487	-	-	-	88 295
Transfers recognised - operational		-	-	-	-	-	567 815	-	-	6 899	-	-	-	-	-	-	574 714
Gains on disposal of PPE		-	-	-	-	-	4 390	-	-	-	-	-	-	-	-	-	4 390
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	980 459	-	256	323 870	2 918	750 154	52 687	-	-	-	2 110 344
Expenditure By Type																	
Employee related costs		7 138	9 911	30 497	5 029	6 577	62 168	-	83 774	216 682	30 497	74 459	-	-	-	-	526 732
Remuneration of councillors		29 411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29 411
Debt impairment		-	-	-	-	1 971	18 874	-	16 172	40 265	-	13 127	-	-	-	-	90 408
Depreciation & asset impairment		81	297	485	26	-	8 072	-	4 028	80 867	469	76 313	-	-	-	-	170 638
Finance charges		-	-	1 331	-	-	891	-	-	26 763	1 331	2 623	-	-	-	-	32 939
Bulk purchases		-	-	-	-	-	-	-	-	-	-	467 630	-	-	-	-	467 630
Other materials		105	147	22	-	44	151	-	298	16 774	22	27 294	-	-	-	-	44 857
Contracted services		3	108	22	4 209	-	24 404	-	27 531	84 179	791	387 898	-	-	-	-	529 145
Transfers and grants		-	-	-	-	-	2 981	-	-	972	-	49 846	-	-	-	-	53 800
Other expenditure		4 726	2 289	1 757	5 667	9 871	23 564	-	26 582	75 608	1 757	3 070	33 688	-	-	-	188 579
Loss on disposal of PPE		-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Total Expenditure		41 463	12 753	34 114	14 932	18 463	141 106	-	158 384	542 110	34 867	1 102 261	33 688	-	-	-	2 134 140
Surplus/(Deficit)		(41 463)	(12 753)	(34 114)	(14 932)	(18 463)	839 353	-	(158 128)	(218 240)	(31 949)	(352 107)	19 000	-	-	-	(23 796)
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	406 592	-	-	-	-	406 592
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(41 463)	(12 753)	(34 114)	(14 932)	(18 463)	839 353	-	(158 128)	(218 240)	(31 949)	54 485	19 000	-	-	-	382 796

**MP322 Mbombela - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

M 322 Income Statement - Supporting table GAS Supporting detail to Budgeted Financial Position											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days											
Other current investments > 90 days											
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	-	-	-	-
<b>Consumer debtors</b>											
Consumer debtors		198 431	111 477	106 211	554 668	100 403	100 403	100 403	119 818	78 030	71 041
Less: Provision for debt impairment		(132 236)	-		(447 222)	-	-	-			
<b>Total Consumer debtors</b>	2	66 194	111 477	106 211	107 447	100 403	100 403	100 403	119 818	78 030	71 041
<b>Debt impairment provision</b>											
Balance at the beginning of the year					346 923	-	-	-			
Contributions to the provision					100 298	-	-	-			
Bad debts written off					-	-	-	-			
<b>Balance at end of year</b>		-	-	-	447 222	-	-	-	-	-	-
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		6 557 274	5 131 021	5 151 359	7 723 365	5 304 088	5 304 088	5 304 088	5 582 670	5 906 357	6 278 031
Leases recognised as PPE	3					-					
Less: Accumulated depreciation		1 362 718	-		1 845 757	-	-	-	-	-	-
<b>Total Property, plant and equipment (PPE)</b>	2	5 194 556	5 131 021	5 151 359	5 877 608	5 304 088	5 304 088	5 304 088	5 582 670	5 906 357	6 278 031
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		15 385	14 260	16 017	17 406	16 828	16 828	16 828	18 600	20 560	23 451
<b>Total Current liabilities - Borrowing</b>		15 385	14 260	16 017	17 406	16 828	16 828	16 828	18 600	20 560	23 451
<b>Trade and other payables</b>											
Trade and other creditors		426 556	478 673	504 266	175 614	226 738	226 738	226 738	213 560	211 898	233 737
Unspent conditional transfers		104 132	138 521	295 056	51 123	201 361	201 361	201 361	142 233	134 922	142 137
VAT			5 909		-	-	-	-	-	-	-
<b>Total Trade and other payables</b>	2	530 688	623 103	799 321	226 738	428 099	428 099	428 099	355 793	346 821	375 874
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	202 892	189 428	225 069	363 887	313 504	313 504	313 504	339 393	318 833	295 382
Finance leases (including PPP asset element)		154 158	-	1 448							
<b>Total Non current liabilities - Borrowing</b>		357 050	189 428	226 517	363 887	313 504	313 504	313 504	339 393	318 833	295 382
<b>Provisions - non-current</b>											
Retirement benefits			-								
List other major provision items											
Employee benefit obligation		81 136	141 544	172 676	81 902	183 037	183 037	183 037	194 019	205 660	218 000
Other		30 626	80 443	86 401	30 520	95 905	95 905	95 905	106 160	117 838	130 800
<b>Total Provisions - non-current</b>		111 762	221 987	259 077	112 422	278 942	278 942	278 942	300 179	323 498	348 800
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		4 991 350	4 716 670	4 597 030	5 639 833	4 457 810	4 457 810	4 457 810	4 883 709	5 266 208	5 698 613
GRAP adjustments			-			-	-	-	-	-	-
Restated balance		4 991 350	4 716 670	4 597 030	5 639 833	4 457 810	4 457 810	4 457 810	4 883 709	5 266 208	5 698 613
Surplus/(Deficit)		(250 071)	(119 639)	(139 386)	320 932	388 254	388 254	388 254	382 499	437 346	533 446
Appropriations to Reserves						-					
Transfers from Reserves											
Depreciation offsets											
Other adjustments						-	-	-			
<b>Accumulated Surplus/(Deficit)</b>	1	4 741 279	4 597 030	4 457 644	5 960 765	4 846 064	4 846 064	4 846 064	5 266 208	5 703 554	6 232 059
<b>Reserves</b>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	4 741 279	4 597 030	4 457 644	5 960 765	4 846 064	4 846 064	4 846 064	5 266 208	5 703 554	6 232 059

MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			40 198	41 002	43 462	55 605	58 385	58 385	61 888	68 077	75 566	
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			658 183	671 346	711 627	1 160 966	1 219 015	1 219 015	1 292 155	1 421 371	1 577 722	
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			148 387	151 354	160 436	94 951	99 699	99 699	105 680	116 248	129 036	
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			39 965	40 764	43 210	50 746	53 284	53 284	56 481	62 129	68 963	
To ensure legally sound Financial viability and Management	Financial management & viability			535 980	771 445	749 579	877 117	931 364	931 364	1 047 839	1 138 738	1 266 461	
				-	-	-	-	-	-	-	-	-	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1 422 713	1 675 912	1 708 314	2 239 385	2 361 745	2 361 745	2 564 044	2 806 564	3 117 747



## MP322 Mbombela - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

[illegible]

MP322 Mbombela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
To initiate a strong and sustainable Local/Regional Economic Development	Economic Development	A		16 316	16 349	9 097	3 737	3 924	3 924	27 140	37 029	50 616
		B			-		-		-		-	
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Development	Infrastructure & sustainable services	C		141 795	142 079	202 976	444 620	616 111	616 111	503 916	460 689	490 428
		D		-	-		-	-		-		
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development	E		35 592	35 663	6 591	45 603	47 883	47 883	29 942	34 442	45 769
		F		-	-		-	-		-	-	
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation	G		1 245	1 247	6 566	14 548	15 275	15 275	14 478	15 696	21 156
		H		-	-		-	-		-		
To ensure legally sound Financial viability and Management	Financial management & viability	I			41 394	5 511	14 010	15 068	15 068	6 939	9 978	14 649
		J				-	-	-		-		
		K				-						
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	194 948	236 732	230 742	522 517	698 262	698 262	582 416	557 834	622 618

MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks

MP322 Mbotombela - Supporting Table SA6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Borrowing Management</u></b>											
Credit Rating		A2 za	A2 za	A2 za	Baa3.za	Baa3.za	Baa3.za	Baa3.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.6%	4.4%	3.7%	3.6%	3.5%	3.5%	3.5%	3.3%	3.1%	2.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.6%	7.0%	5.8%	5.1%	5.1%	5.1%	5.1%	4.6%	4.1%	3.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	28.9%	22.1%	102.4%	76.6%	58.0%	58.0%	58.0%	31.2%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.3	0.3	1.7	0.6	0.6	0.6	1.0	1.4	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.1	1.2	0.3	0.3	0.3	0.7	1.1	1.5
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		90.9%	84.5%	89.9%	97.0%	98.1%	98.1%	98.1%	100.4%	101.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91.0%	84.5%	89.9%	90.5%	91.7%	91.7%	91.7%	100.4%	101.1%	101.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.0%	10.0%	10.6%	7.2%	5.9%	5.9%	5.9%	5.6%	3.3%	2.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	90.0%	90.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		1191.8%	2447.4%	524.7%	56.6%	147.4%	147.4%	147.4%	77.7%	47.4%	35.1%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	68214058	69587166.4	50038047	45034424	45034424	45034424	45034424	40530982	36477883	32830095
	Total Cost of Losses (Rand '000)	31 000	39 665	34 526	31 074	31 074	31 074	31 074	27 966	25 170	22 626
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)	916024	989806	1270693	1143624	1143624	1143624	1143624	1029261	926335	833702
	% Volume (units purchased and generated less units sold)/units purchased and generated	2 391	2 732	3 914	3 522	3 522	3 522	3 522	3 170	2 853	2 568
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.2%	27.7%	29.9%	28.0%	28.2%	28.2%	28.2%	25.3%	25.9%	25.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.6%	29.1%	31.6%	29.6%	29.8%	29.8%		26.4%	27.3%	27.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.0%	10.2%	9.6%	6.9%	9.9%	9.9%		8.9%	8.6%	8.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	25.1%	19.1%	17.6%	16.6%	15.1%	15.1%	15.1%	11.4%	10.5%	9.5%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.8	57.8	23.2	33.8	33.8	33.8	37.0	39.0	38.5	43.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.8%	16.2%	16.0%	10.9%	8.9%	8.9%	8.9%	9.2%	5.3%	4.3%
iii. Cost coverage	(Av ailable cash + Investments)/monthly fixed operational expenditure	0.4	0.2	0.8	2.4	1.1	1.1	1.1	1.8	2.7	3.7

MP322 Mbombela - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population				527	527	589	589	589	589	589	589	589
Females aged 5 - 14				-	-	-	-	-	87	87	87	87
Males aged 5 - 14				-	-	-	-	-	89	89	89	89
Females aged 15 - 34				-	-	-	-	-	187	187	187	187
Males aged 15 - 34				-	-	-	-	-	201	201	201	201
Unemployment				-	64	64	64	64	64	64	64	64
<b>Monthly household income (no. of households)</b>												
No income	1, 12			-	21 006	21 006	21 006	21 006	21 006	21 006	21 006	21 006
R1 - R1 600				-	50 210	50 210	50 210	50 210	50 210	50 210	50 210	50 210
R1 601 - R3 200				-	33 354	33 354	33 354	33 354	33 354	33 354	33 354	33 354
R3 201 - R6 400				-	21 498	21 498	21 498	21 498	21 498	21 498	21 498	21 498
R6 401 - R12 800				-	14 105	14 105	14 105	14 105	14 105	14 105	14 105	14 105
R12 801 - R25 600				-	11 066	11 066	11 066	11 066	11 066	11 066	11 066	11 066
R25 601 - R51 200				-	7 170	7 170	7 170	7 170	7 170	7 170	7 170	7 170
R52 201 - R102 400				-	2 293	2 293	2 293	2 293	2 293	2 293	2 293	2 293
R102 401 - R204 800				-	592	592	592	592	592	592	592	592
R204 801 - R409 600				-	473	473	473	473	473	473	473	473
R409 601 - R819 200				-	4	4	4	4	4	4	4	4
> R819 200				-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13									71216.00	71216.00	71216.00
Insert description	2											
<b>Household/demographics (000)</b>												
Number of people in municipal area				476 593	527 203	527	589	589	589	589	601	613
Number of poor people in municipal area				-	297 760	-	-	-	-	260	263	268
Number of households in municipal area				112 226	112 226	-	-	-	-	162	164	166
Number of poor households in municipal area				-	-	-	-	-	-	71	72	73
Definition of poor household (R per month)				2 040	2 040	-	-	-	-	2 520	2 520	2 520
<b>Housing statistics</b>												
Formal	3									149 966	149 966	149 966
Informal										10 553	10 553	10 553
Total number of households				-	-	-	-	-	-	160 519	160 519	160 519
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings				-	-	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6						5.6%	5.6%	5.6%	5.4%	5.6%	5.4%
Interest rate - borrowing										11.4%	11.4%	10.0%
Interest rate - investment										5.2%	5.2%	5.3%
Remuneration increases									6.8%	7.0%	6.5%	5.9%
Consumption growth (electricity)									13.5%	9.0%	9.0%	9.0%
Consumption growth (water)									6.0%	5.5%	5.1%	4.9%
<b>Collection rates</b>												
Property tax/service charges	7						91.0%	95.0%	93.0%	95.0%	95.0%	95.0%
Rental of facilities & equipment							91.0%	95.0%	93.0%	95.0%	95.0%	95.0%
Interest - external investments							91.0%	95.0%	93.0%	95.0%	95.0%	95.0%
Interest - debtors							91.0%	95.0%	93.0%	95.0%	95.0%	95.0%
Revenue from agency services							91.0%	95.0%	93.0%	95.0%	95.0%	95.0%

## MP322 Mbombela Supporting Table SA10 Funding measurement

MF322 Mombasa Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	35 792	19 558	96 112	310 163	153 786	153 786	153 786	274 737	447 311	665 662
Cash + investments at the yr end less applications - R'000	18(1)b	2	(335 872)	(456 779)	(541 943)	235 343	(166 187)	(166 187)	(166 187)	56 731	198 336	382 676
Cash year end/monthly employee/supplier payments	18(1)b	3	0.4	0.2	0.8	2.4	1.1	1.1	1.1	1.8	2.7	3.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(250 071)	(119 639)	(139 386)	320 932	388 254	388 254	388 254	382 499	437 346	533 446
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	3.3%	3.9%	6.5%	(4.8%)	(6.0%)	(6.0%)	6.3%	6.6%	7.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	91.0%	84.5%	88.9%	90.5%	91.7%	91.7%	91.7%	100.4%	101.1%	101.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	5.9%	8.9%	4.9%	9.0%	8.0%	8.0%	8.0%	5.8%	5.1%	4.4%
Capital payments % of capital expenditure	18(1)c,(19)	8	99.2%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	28.1%	20.9%	94.8%	74.3%	56.4%	56.4%	56.4%	30.5%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(5.8%)	8.7%	(23.3%)	(17.6%)	0.0%	0.0%	16.4%	(34.9%)	(9.0%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(25.2%)	(8.2%)	(100.0%)	0.0%	0.0%	0.0%	(3.0%)	(3.0%)	(3.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.6%	3.0%	2.9%	2.0%	3.3%	3.3%	3.6%	3.4%	3.5%	3.5%
Asset renewal % of capital budget	20(1)(vi)	14	22.5%	31.1%	30.1%	60.9%	53.0%	53.0%	0.0%	47.5%	55.6%	53.2%

<b>Supporting indicators</b>											
% incr <i>total service charges (incl prop rates)</i>	18(1)a		9.3%	9.9%	12.5%	1.2%	0.0%	0.0%	12.3%	12.6%	13.3%
% incr Property Tax	18(1)a		11.6%	6.0%	11.6%	3.0%	0.0%	0.0%	12.0%	8.4%	9.2%
% incr Service charges - electricity revenue	18(1)a		8.8%	12.0%	13.4%	0.0%	0.0%	0.0%	12.4%	12.7%	13.2%
% incr Service charges - water revenue	18(1)a		(3.1%)	11.4%	9.4%	0.2%	0.0%	0.0%	42.3%	63.1%	48.8%
% incr Service charges - sanitation revenue	18(1)a		2.1%	4.9%	23.8%	0.4%	0.0%	0.0%	(16.1%)	(17.2%)	(17.0%)
% incr Service charges - refuse revenue	18(1)a		11.9%	10.2%	6.3%	4.5%	0.0%	0.0%	9.1%	9.9%	10.2%
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	831 997	909 491	999 847	1 124 541	1 137 548	1 137 548	1 137 548	1 277 999	1 438 460	1 630 069
Service charges		831 997	909 491	999 847	1 124 541	1 137 548	1 137 548	1 137 548	1 277 999	1 438 460	1 630 069
Property rates		245 816	274 262	290 608	324 308	334 063	334 063	334 063	374 063	405 315	442 708
Service charges - electricity revenue		493 156	536 399	600 817	681 348	681 348	681 348	681 348	765 628	862 817	976 335
Service charges - water revenue		25 453	24 667	27 482	30 074	30 136	30 136	30 136	42 890	69 935	104 096
Service charges - sanitation revenue		14 827	15 134	15 874	19 653	19 734	19 734	19 734	16 548	13 700	11 370
Service charges - refuse removal		52 745	59 029	65 066	69 158	72 267	72 267	72 267	78 870	86 693	95 560
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		16 431	18 266	18 592	18 849	21 224	21 224	21 224	28 061	31 428	35 199
Capital expenditure excluding capital grant funding		104 613	72 944	54 632	103 845	192 571	192 571	192 571	145 824	133 096	168 947
Cash receipts from ratepayers	18(1)a	871 465	951 493	1 057 797	1 195 764	1 229 860	1 229 860	1 229 860	1 575 633	1 771 625	2 012 285
Ratepayer & Other revenue	18(1)a	958 059	1 125 464	1 176 567	1 320 768	1 340 973	1 340 973	1 340 973	1 568 873	1 752 197	1 977 110
Change in consumer debtors (current and non-current)		6 436	(9 475)	12 986	(38 400)	(60 017)	(60 017)	(60 017)	(4 785)	(41 801)	(7 000)
Operating and Capital Grant Revenue	18(1)a	464 654	550 448	529 931	908 471	1 010 626	1 010 626	1 010 626	981 306	1 038 838	1 123 245
Capital expenditure - total	20(1)(vi)	194 948	236 732	230 742	522 517	698 262	698 262	698 262	582 416	557 834	622 618
Capital expenditure - renewal	20(1)(vi)	43 869	73 709	69 523	318 296	370 310	370 310		276 420	310 200	331 346
<b>Supporting benchmarks</b>											
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY									574 714	614 100	669 574
DoRA capital grants total MFY									406 592	424 738	453 671
Provincial operating grants									-	-	-
Provincial capital grants									-	-	-
District Municipality grants									-	-	-
Total gazetted/advised national, provincial and district grants									981 306	1 038 838	1 123 245
Average annual collection rate (arrears inclusive)											
<b>DoRA operating</b>											
Equitable Share									462 073	503 877	544 750
Financial Management Grant									1 600	1 625	1 700
Municipal Systems Grant									930	957	1 033
Expanded Public Works Programme									6 899	-	-
									471 502	506 459	547 483
<b>DoRA capital</b>											
Municipal Infrastructure Grant									298 264	310 919	329 889
Municipal Water Infrastructure Grant									55 000	47 372	42 550
Neighbourhood Development Partnership Grant									20 000	30 000	35 000
PTIS, WSOSG & INEP									136 540	144 088	168 323
									509 804	532 379	575 762



**MP322 Mbombela - Supporting Table SA11 Property rates summary**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Valuation:</b>	1	1900/01/00						2014/15		
Date of valuation:		0						Yes		
Financial year valuation used								Yes		
Municipal by-laws s6 in place? (Y/N)	2							N	N	N
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3							-	-	-
No. of data collectors (FTE)	3							-	-	-
No. of internal valuers (FTE)	3							4	4	4
No. of external valuers (FTE)	3							1	1	1
No. of additional valuers (FTE)	4							-	-	-
Valuation appeal board established? (Y/N)								Yes		
Implementation time of new valuation roll (mths)								36		
No. of properties	5	62 405	63 000	63 000	63 300	63 300	63 300	62 678	63 178	63 178
No. of sectional title values	5	4 422	4 672	4 672	4 805	4 805	4 805	4 984	5 033	5 033
No. of unreasonably difficult properties s7(2)		108						-	-	-
No. of supplementary valuations		2	1	1	1	1	1	2	2	2
No. of valuation roll amendments		-	701	701	-	-	-	-	-	-
No. of objections by rate payers		-	66	66	-	-	-	50	50	50
No. of appeals by rate payers		-	4	4	-	-	-	5	5	5
No. of successful objections	8	-			-	-	-	-	-	-
No. of successful objections > 10%	8	-			-	-	-	-	-	-
Supplementary valuation		2	1	1	1	1	1	2	2	2
Public service infrastructure value (Rm)	5	28	43	43	43	43	43	117	117	117
Municipality owned property value (Rm)		3 150	2 240	2 240	3 161	3 161	3 161	908	908	908
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)		8	11	11				35	35	35
Valuation reductions-nature reserves/park (Rm)		-	6	6	6	6	6	12	12	12
Valuation reductions-mineral rights (Rm)		-	-	-	358	358	358	-	-	-
Valuation reductions-R15,000 threshold (Rm)		622	670	670	669	669	669	877	877	877
Valuation reductions-public worship (Rm)		293	328	328	358	358	358	354	354	354
Valuation reductions-other (Rm)		2 740	2 250	2 250				3 507	3 507	3 507
<b>Total valuation reductions:</b>		<b>3 664</b>	<b>3 264</b>	<b>3 264</b>	<b>1 391</b>	<b>1 391</b>	<b>1 391</b>	<b>4 785</b>	<b>4 785</b>	<b>4 785</b>
Total value used for rating (Rm)	5	33 726	36 685	36 685	37 012	37 012	37 012	42 923	42 923	42 923
Total land value (Rm)	5	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	33 726	36 685	36 685	37 012	37 012	37 012	42 923	42 923	42 923
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No			No		
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)			4739							
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6	245 816	274 262	290 608	451 045	460 800	460 800	528 241	568 496	615 279
Rate revenue expected to collect (R'000)	6	-	-	-	324 308	334 063	334 063	359 793	389 941	426 010
Expected cash collection rate (%)		90.0%	93.0%	91.0%	91.0%	91.0%	91.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

MP322 Mbombela - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Current Year 2014/15</b>																	
<b>Valuation:</b>																	
No. of properties		58 600		2 593	3 608	303	1 592	392	174		411	-	-	-	-	8	-
No. of sectional title property values		49 694		232								-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		<1		<1	<1	<1	<1	<1	<1	-	-	-	-	-	-	1	-
Frequency of valuation (select)		4		4	4	4	4	4	4	-	-	-	-	-	-	4	-
Method of valuation used (select)		Market		Market	Market	Market	Market	Market	Market	-	-	-	-	-	-	Market	-
Base of valuation (select)		Land & impr.		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	-	-	-	-	-	-	Land & impr.	-
Phasing-in properties s21 (number)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		Yes		Yes	Yes	Yes	Yes	Yes	Yes	-	-	-	-	-	-	Yes	-
Flat rate used? (Y/N)		No		No	No	No	No	No	No	-	-	-	-	-	-	No	-
Is balance rated by uniform rate/variable rate?		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	3,809	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																	
Total value used for rating (Rm)	6	20,896		11,287	6,312	1,871	-	0	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	25,584		-	-	-	0	0	351	-	159	-	-	-	-	0	-
<b>Rating:</b>																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		215 518	-	252 598	13 627	42 432	-	2 337	-	-	2 463	-	-	-	-	199	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, ex. emptns - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, ex. emptns - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, ex. emptns - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, ex. emptns - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MP322 Mbombela - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/nts	Public benefit organs.	Mining Props.
<b>Budget Year 2015/16</b>																	
<b>Valuation:</b>																	
No. of properties		53 931	-	2 065	3 740	295	1 600	407	-	-	-	-	-	4	-	12	-
No. of sectional title property values		4 492	-	492	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		436	-	175	211	6	-	26	-	-	-	-	-	-	-	6	-
Supplementary valuation (Rm)		#####	-	#####	#####	#####	#####	68 135 000	-	-	-	-	-	-	-	80 800 000	-
No. of valuation roll amendments		436	-	175	211	6	13	26	-	-	-	-	-	-	-	6	-
No. of objections by rate-payers		894	-	221	92	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		43	-	22	12	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	400	-	99	43	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	149	-	75	15	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		1	-	1	1	1	1	1	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)		4	-	4	4	4	4	4	-	-	-	-	-	-	-	-	-
Method of valuation used (select)		Market	-	Market	Market	Dep.Replace	Dep.Replace	Dep.Replace	-	-	-	-	-	-	-	-	-
Base of valuation (select)		Land & impr.	-	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		0	-	0	0	0	0	0	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		Yes	-	Yes	Yes	Yes	Yes	Yes	-	-	-	-	-	-	-	-	-
Fiat rate used? (Y/N)		No	-	No	No	No	No	No	-	-	-	-	-	-	-	-	-
Is balance rated by uniform rate/variable rate?		Variable	-	Variable	Variable	Variable	Variable	Variable	-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																	
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rating:</b>																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discouts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[illegible]

**MP322 Mbombela - Supporting Table SA13a Service Tariffs by category**

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Property rates (rate in the Rand)</b>	1								
Residential properties			0.6978	0.7432	0.7915	0.7915	0.8390	0.8893	0.9427
Residential properties - vacant land			2.0935	2.2295	1.1873	0.7915	0.8390	0.8893	0.9427
Formal/informal settlements			0.6978	0.7432	0.7915	0.7915	0.8390	0.8893	0.9427
Small holdings			0.1745	1.1147	1.1873	0.1979	0.2098	0.2224	0.2357
Farm properties - used			0.1745	0.1858	0.1979	0.1979	0.2098	0.2224	0.2357
Farm properties - not used			1.7446	1.1858	0.1979	0.1979	0.2098	0.2224	0.2357
Industrial properties			1.7446	1.8579	1.9788	1.9788	2.0975	2.2234	2.3568
Business and commercial properties			0.6978	1.8579	1.9788	1.9788	2.0975	2.2234	2.3568
Communal land - residential		-	-	-	-	-	-	-	-
Communal land - small holdings		-	-	-	-	-	-	-	-
Communal land - farm property		-	-	-	-	-	-	-	-
Communal land - business and commercial		-	-	-	-	-	-	-	-
Communal land - other		-	-	-	-	-	-	-	-
State-owned properties		2.0935	2.2295	2.3745	2.3745	2.5170	2.6680	2.8281	
Municipal properties		-	-	-	-	-	-	-	-
Public service infrastructure		0.1745	0.1858	0.1979	0.1979	0.2098	0.2224	0.2357	
Privately owned towns serviced by the State trust land		0.6978	1.1147	1.1873	1.1873	1.2585	1.3341	1.4141	
Restitution and redistribution properties		-	-	-	-	-	-	-	-
Protected areas		-	-	-	-	-	-	-	-
National monuments properties		-	-	-	-	-	-	-	-
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			80 000	80 000	80 000	80 000	80 000	80 000	80 000
Indigent rebate or exemption			100	100	100	100	100	100	100
Pensioners/social grants rebate or exemption			100	100	100	100	100	100	100
Temporary relief rebate or exemption			-	-	-	-	-	-	-
Bona fide farmers rebate or exemption			45	45	8	8	8	8	8
<b>Other rebates or exemptions</b>	2		-	-	-	-	-	-	-
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/fee (Rands/month)			52	57	61	66	91	125	169
Service point - vacant land (Rands/month)			52	57	61	66	91	125	169
Water usage - flat rate tariff (c/kl)			-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	-	-	-	-	-	-	-
Water usage - Block 1 (c/kl)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 2 (c/kl)		(fill in thresholds)	998	1 098	1 186	1 287	1 776	2 433	3 284
Water usage - Block 3 (c/kl)		(fill in thresholds)	875	978	1 056	1 160	1 601	2 193	2 961
Water usage - Block 4 (c/kl)		(fill in thresholds)	882	906	1 000	1 100	1 518	2 080	2 808
<b>Other</b>	2		-	-	-	-	-	-	-
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/fee (Rands/month)				85	92	100			
Service point - vacant land (Rands/month)				-	-	-	-	-	-
Waste water - flat rate tariff (c/kl)				-	-	-	-	-	-
Volumetric charge - Block 1 (c/kl)		(fill in structure)		-	-	-	-	-	-
Volumetric charge - Block 2 (c/kl)		(fill in structure)		1 005	1 085	1 177	965	792	649
Volumetric charge - Block 3 (c/kl)		(fill in structure)		873	943	1 023	839	688	564
Volumetric charge - Block 4 (c/kl)		(fill in structure)		-	-	-	-	-	-
<b>Other</b>	2		-	-	-	-	-	-	-
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/fee (Rands/month)									
Service point - vacant land (Rands/month)				120	140	-			
FBE		(how is this targeted?)		50	50	37			
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	50	70	74	74	83	93	104
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	76	83	88	96	107	120	134
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	96	107	114	124	139	155	174
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	118	123	132	142	159	178	200
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	50	70	74	74	83	93	104
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	76	83	88	96	107	120	134
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	96	107	114	124	139	155	174
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	118	123	132	142	159	178	200
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/fee									
80l bin - once a week				78	86	14 210	15 347	16 642	18 090
250l bin - once a week				118	129	14 210	15 347	16 642	18 090

MP322 Mbombela - Supporting Table SA13b Service Tariffs by category - explanatory									
Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Exemptions, reductions and rebates (Rands)</b>									
ASSESSMENT RATES REBATES - RESIDENTIAL		80 000	0.6978	0.7432	0.7915	0.7915	0.83899	0.8893294	0.942689164
PUBLIC SERVICE INFRASTRUCTURE - FIRST			0.1745	0.1858	0.1979	0.1979	0.209774	0.22236044	
<b>Water tariffs</b>									
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	-	-	-	-	-	-	-	-
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	10.00	10.98	11.86	11.86	-	-	-	-
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	8.15	9.78	10.56	10.56	-	-	-	-
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	7.55	9.06	10.00	10.00	-	-	-	-
	(fill in thresholds)								
BUSINESS COMMERCIAL INDUSTRIAL	(fill in thresholds)	8.15	8.95	9.67	9.67	13.3446	18.282102	24.6808377	
BULK CUSTOMERS OUTSIDE MUNICIPAL AREA	(fill in thresholds)	8.95	9.83	10.62	10.62	14.6556	20.078172	27.1055322	
MUNICIPAL DEPARTMENTS	(fill in thresholds)	8.95	8.95	9.67	9.67	3.3446	4.582102	6.1858377	
	(fill in thresholds)	-	-	-	-	-	-	-	-
	(fill in thresholds)	-	-	-	-	-	-	-	-
<b>Waste water tariffs</b>									
RESIDENTIAL CUSTOMERS	6 KL	-	-	-	-	-	-	-	-
RESIDENTIAL CUSTOMERS	6 KL	9.15	10.05	10.85	10.85	11.935	13.1285	14.44135	
RESIDENTIAL CUSTOMERS	6 KL	7.95	8.73	9.43	9.43	10.373	11.4103	12.55133	
BASIC CHARGE	(fill in structure)	77.85	85.45		92.29	101.519	111.6709	122.83799	
BORE HOLES	(fill in structure)	159.00	174.51		188.47	207.317	228.0487	250.85357	
BUSINESS COMMERCIAL INDUSTRIAL	(fill in structure)	3502.35	3843.83		4151.34	4566.474	5023.1214	5525.43354	
PINE LAKE INN	(fill in structure)	2616.10	2871.17		3100.86	3410.946	3752.0406	4127.24466	
INDUSTRIAL GOVERNMENT - TRANSNET	(fill in structure)	280.20	307.52		332.12	365.332	401.8652	442.05172	
BORE HOLES	(fill in structure)			-	406.67	447.337	492.0707	541.27777	
<b>Electricity tariffs</b>									
BAFFALLO, KUDU AND HIPPO	50 KL	63.00	70.00	73.85	74.00	83	101	113	
BAFFALLO, KUDU AND HIPPO	(fill in thresholds)	75.00	83.00	88.40	95.53	107	131	146	
BAFFALLO, KUDU AND HIPPO		95.00	107.00	114.49	123.72	139	169	190	
BAFFALLO, KUDU AND HIPPO		109.00	123.00	131.63	142.24	159	194	218	
						-	-	-	
						-	-	-	
RHINO		100	120	140.00	155.00	174	212	238	
LION LOW TENSION		46.00	52.00	74.00	80.00	90	109	123	
LION LOW TENSION		49.00	55.00	55.00	60.00	67	82	92	
LION LOW TENSION		77.00	86.00	56.00	61.00	68	83	94	
LION LOW TENSION		1070.00	1190.00	1280.00	1384.00	1 550	1 891	2 122	
LION LOW TENSION						-	-	-	
						-	-	-	
CHEETAH HIGH TENSION TARIFF		44.00	49.00	71.00	77.00	86	105	118	
CHEETAH HIGH TENSION TARIFF		49.00	55.00	52.00	57.00	64	78	87	
CHEETAH HIGH TENSION TARIFF		74.00	83.00	56.00	61.00	68	83	94	
CHEETAH HIGH TENSION TARIFF		1490.00	1660.00	1790.00	1935.00	2 167	2 644	2 967	
						-	-	-	
						-	-	-	
NYALA HIGH DEMAND SEASON			52.00	280.00	303.00	339	414	465	
NYALA HIGH DEMAND SEASON			52.00	110.00	119.00	133	163	182	
NYALA HIGH DEMAND SEASON			52.00	64.00	69.00	77	94	106	
NYALA HIGH DEMAND SEASON			-	15.00	17.00	19	23	26	
						-	-	-	
NYALA LOW DEMAND SEASON			52.00	118.00	127.00	142	174	195	
NYALA LOW DEMAND SEASON			52.00	84.00	91.00	102	124	140	
NYALA LOW DEMAND SEASON			52.00	57.00	61.00	68	83	94	



MP322 Mbombela - Supporting Table SA14 Household bills											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		407.05	268.77	286.29	286.29	286.29	286.29	6.0%	303.47	321.68	340.98
Electricity : Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity : Consumption		930.00	1 043.50	1 114.87	1 218.85	1 218.85	1 218.85	12.2%	1 365.11	1 531.66	1 531.66
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	10.0%	72.89	81.78	81.78
Water: Consumption		240.00	263.52	284.64	308.83	308.83	308.83	10.0%	339.72	373.69	373.69
Sanitation		219.60	241.20	260.40	282.53	282.53	282.53	(18.0%)	182.86	149.95	122.96
Refuse removal		107.00	117.97	128.19	141.01	141.01	141.01	8.0%	152.29	165.14	165.54
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1 955.15	1 991.51	2 135.46	2 303.78	2 303.78	2 303.78	4.9%	2 416.33	2 623.89	2 616.60
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total large household bill:		1 955.15	1 991.51	2 135.46	2 303.78	2 303.78	2 303.78	4.9%	2 416.33	2 623.89	2 616.60
% increase/-decrease			1.9%	7.2%	7.9%	—	—		4.9%	8.6%	(0.3%)
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates		290.75	182.07	193.94	193.94	193.94	193.94	6.0%	205.58	217.91	230.99
Electricity : Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity : Consumption		385.00	444.50	473.86	526.17	526.17	526.17	12.2%	590.36	662.39	743.20
Water: Basic levy		51.50	56.55	61.07	66.26	66.26	66.26	10.0%	72.89	80.18	88.19
Water: Consumption		190.00	208.62	225.34	244.49	244.49	244.49	10.0%	268.94	295.84	325.42
Sanitation		173.85	190.95	206.15	223.67	223.67	223.67	(18.0%)	182.86	149.95	122.96
Refuse removal		107.00	78.39	85.84	94.42	94.42	94.42	8.0%	101.98	110.58	120.21
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1 198.10	1 161.08	1 246.20	1 348.96	1 348.96	1 348.96	5.5%	1 422.61	1 516.85	1 630.96
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total small household bill:		1 198.10	1 161.08	1 246.20	1 348.96	1 348.96	1 348.96	5.5%	1 422.61	1 516.85	1 630.96
% increase/-decrease			(3.1%)	7.3%	8.2%	—	—		5.5%	6.6%	7.5%
<u>Monthly Account for Household - 'Indigent Household receiving free basic services'</u>	3										
Rates and services charges:											
Property rates		174.45	95.37	101.59	101.59	101.59	101.59	6.0%	107.69	114.15	121.00
Electricity : Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity : Consumption		31.50	—	—	—	—	—	—	—	—	—
Water: Basic levy		—	—	—	—	—	—	—	—	—	—
Water: Consumption		140.00	—	—	—	—	—	—	—	—	—
Sanitation		128.10	—	—	—	—	—	—	—	—	—
Refuse removal		—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
sub-total		474.05	95.37	101.59	101.59	101.59	101.59	6.0%	107.69	114.15	121.00
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total small household bill:		474.05	95.37	101.59	101.59	101.59	101.59	6.0%	107.69	114.15	121.00
% increase/-decrease			(79.9%)	6.5%	—	—	—		6.0%	6.0%	6.0%

**MP322 Mbombela - Supporting Table SA15 Investment particulars by type**

Ann 322: mbonibela - Supporting table 3A10 Investment particulars by type										
Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		13 633	13 696	14 384	38 737	15 657	15 657	17 042	18 550	20 191
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	13 633	13 696	14 384	38 737	15 657	15 657	17 042	18 550	20 191
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		13 633	13 696	14 384	38 737	15 657	15 657	17 042	18 550	20 191

**MP322 Mbombela - Supporting Table SA17 Borrowing**

M 022 - Municipality - Supporting Table CAT1 - Borrowing										
Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
<b>Parent municipality</b>										
Long-Term Loans (annuity /reducing balance)			189 428	226 517	363 887	313 504	313 504	339 393	318 833	295 382
Long-Term Loans (non-annuity )			-	-	-	-	-	-	-	-
Local registered stock			-	-	-	-	-	-	-	-
Instalment Credit			-	-	-	-	-	-	-	-
Financial Leases			-	-	-	-	-	-	-	-
PPP liabilities			-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier			-	-	-	-	-	-	-	-
Marketable Bonds			-	-	-	-	-	-	-	-
Non-Marketable Bonds			-	-	-	-	-	-	-	-
Bankers Acceptances			-	-	-	-	-	-	-	-
Financial derivatives			-	-	-	-	-	-	-	-
Other Securities			-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	-	189 428	226 517	363 887	313 504	313 504	339 393	318 833	295 382
<b>Entities</b>										
Long-Term Loans (annuity /reducing balance)			-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity )			-	-	-	-	-	-	-	-
Local registered stock			-	-	-	-	-	-	-	-
Instalment Credit			-	-	-	-	-	-	-	-
Financial Leases			-	-	-	-	-	-	-	-
PPP liabilities			-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier			-	-	-	-	-	-	-	-
Marketable Bonds			-	-	-	-	-	-	-	-
Non-Marketable Bonds			-	-	-	-	-	-	-	-
Bankers Acceptances			-	-	-	-	-	-	-	-
Financial derivatives			-	-	-	-	-	-	-	-
Other Securities			-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	189 428	226 517	363 887	313 504	313 504	339 393	318 833	295 382

**MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		306 481	327 061	355 505	397 237	395 322	395 322	471 502	506 459	547 483
Local Government Equitable Share		279 162	312 298	342 190	388 663	386 748	386 748	462 073	503 877	544 750
Water Services Operating Subsidy		14 650	3 009	–	–	–	–	6 899	–	–
Municipal Systems Improvement		1 119	800	890	1 600	1 600	1 600	930	957	1 033
Finance Management		1 516	1 500	1 550	934	934	934	1 600	1 625	1 700
Integrated National Electrification Programme		3 061	–	–	–	–	–	–	–	–
EPWP Incentive		4 515	2 954	1 695	6 040	6 040	6 040	–	–	–
Other trans/grants [2010 Host City , MIG,PTIS, DF		2 458	6 500	9 180	–	–	–	–	–	–
<b>Provincial Government:</b>		–	1 000	–	–	–	–	–	–	–
Housing		–	1 000	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other trans/grants [2010 Host City , MIG,PTIS, DF		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	5	306 481	328 061	355 505	397 237	395 322	395 322	471 502	506 459	547 483
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		200 031	329 765	381 766	511 234	398 338	398 338	509 804	532 379	575 762
Municipal Infrastructure Grant (MIG)		155 031	188 062	241 164	286 043	182 347	182 347	298 264	310 919	329 889
Public Transport and Systems		45 000	98 703	123 762	195 191	189 306	189 306	116 540	122 088	132 498
Neighbourhood Development Partnership		–	–	–	5 000	5 000	5 000	20 000	30 000	35 000
Regional Bulk Infrastructure		–	6 500	9 180	15 000	15 000	15 000	–	–	–
		–	–	–	–	–	–	–	–	–
WSIG, WSOSG & INEP EDSM & Disaster		–	36 500	7 660	10 000	6 686	6 686	75 000	69 372	78 375
<b>Provincial Government:</b>		–	0	0	–	–	–	–	–	–
Other capital transfers/grants [insert description]		–	0	0	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		18	16	1	–	–	–	–	–	–
[National Lottery ]		18	16	1	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
<b>Total Capital Transfers and Grants</b>	5	200 049	329 781	381 767	511 234	398 338	398 338	509 804	532 379	575 762
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		506 530	657 842	737 272	908 471	793 660	793 660	981 306	1 038 838	1 123 245

**MP322 Mbombela - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts		375 143	382 171	359 287	397 237	395 322	395 322	574 714	614 100	669 574
<b>Conditions met - transferred to revenue</b>		375 143	382 171	359 287	397 237	395 322	395 322	574 714	614 100	669 574
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		375 143	382 171	359 287	397 237	395 322	395 322	574 714	614 100	669 574
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts		90 336	163 788	176 109	418 672	505 691	505 691	406 592	424 738	453 671
<b>Conditions met - transferred to revenue</b>		90 336	163 788	176 109	418 672	505 691	505 691	406 592	424 738	453 671
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		90 336	163 788	176 109	418 672	505 691	505 691	406 592	424 738	453 671
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		465 479	545 959	535 397	815 909	901 013	901 013	981 306	1 038 838	1 123 245
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

References

**MP322 Mbombela - Supporting Table SA19 Expenditure on transfers and grant programme**

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:		1									
Operating expenditure of Transfers and Grants											
National Government:			375 143	381 171	359 287	397 237	395 322	395 322	471 502	506 459	547 483
Local Government Equitable Share			279 162	312 298	342 190	388 663	386 748	386 748	462 073	503 877	544 750
Water Services Operating Subsidy			14 650	3 009	—	—	—	—	6 899	—	—
Municipal Systems Improvement			1 516	1 041	693	1 600	1 600	1 600	930	957	1 033
Finance Management			1 119	1 561	1 476	934	934	934	1 600	1 625	1 700
Integrated National Electrification Programme			8 191	—	—	—	—	—	—	—	—
EPWP Incentive			4 515	2 130	1 839	6 040	6 040	6 040	—	—	—
Other trans/grants [2010 Host City, MIG,PTIS, DR			65 990	61 132	13 089	—	—	—	—	—	—
Provincial Government:			—	1 000	—	—	—	—	—	—	—
Housing			—	1 000	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
Other trans/grants [2010 Host City, MIG,PTIS, DR			—	—	—	—	—	—	—	—	—
District Municipality:			—	—	—	—	—	—	—	—	—
[insert description]			—	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
Other grant providers:			—	—	—	—	—	—	—	—	—
[insert description]			—	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants			375 143	382 171	359 287	397 237	395 322	395 322	471 502	506 459	547 483
Capital expenditure of Transfers and Grants											
National Government:			89 372	167 844	165 879	511 234	398 338	398 338	509 804	532 379	575 762
Municipal Infrastructure Grant (MIG)			81 610	106 073	101 072	286 043	182 347	182 347	298 264	310 919	329 889
Public Transport and Systems			—	43 604	52 759	195 191	189 306	189 306	116 540	122 088	132 498
Neighbourhood Development Partnership			4 240	910	—	5 000	5 000	5 000	20 000	30 000	35 000
Regional Bulk Infrastructure			3 521	—	—	15 000	15 000	15 000	—	—	—
			—	—	—	—	—	—	—	—	—
WSIG, WSOSG & INEP EDSM & Disaster			—	17 257	12 049	10 000	6 686	6 686	75 000	69 372	78 375
Provincial Government:			—	—	—	—	—	—	—	—	—
Other capital transfers/grants [MP housing,Library]			—	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
District Municipality:			—	—	—	—	—	—	—	—	—
[insert description]			—	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
Other grant providers:			134	433	4 764	—	—	—	—	—	—
[National Lottery ]			134	433	4 764	—	—	—	—	—	—
			—	—	—	—	—	—	—	—	—
Total capital expenditure of Transfers and Grants			89 505	168 277	170 643	511 234	398 338	398 338	509 804	532 379	575 762
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			464 649	550 448	529 931	908 471	793 660	793 660	981 306	1 038 838	1 123 245

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b><u>Councillors</u></b>	3							
Speaker	4	1	419 117	105 193	200 490			724 801
Chief Whip		1	386 971	104 569	189 567			681 108
Executive Mayor		1	536 607	118 780	244 183			899 570
Deputy Executive Mayor		—	—	—	—			—
Executive Committee		9	3 320 217	612 108	1 516 535			5 448 860
Total for all other councillors		78	16 570 520	2 130 258	6 187 883			24 888 661
<b>Total Councillors</b>	8	90	21 233 433	3 070 908	8 338 658			32 643 000
<b><u>Senior Managers of the Municipality</u></b>	5							
Municipal Manager (MM)		1	1 124 992	319 258	301 910	—		1 746 160
Chief Finance Officer		—	—	—	—	—		—
		—	—	—	—	—		—
		—	—	—	—	—		—
		—	—	—	—	—		—
<i>List of each official with packages &gt;= senior manager</i>								
Chief Operating Officer		1	1 030 360	187 947	182 333	—		1 400 640
GM:LED		1	772 747	192 255	168 000	—		1 133 002
GM : Technical		1	825 289	166 899	204 000	—		1 196 188
GM: Planning		1	928 574	196 410	24 000	—		1 148 984
0		—	—	—	—	—		—
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		—	—	—	—	—		—
		—	—	—	—	—		—
<b>Total Senior Managers of the Municipality</b>	8,10	5	4 681 962	1 062 770	880 243	—		6 624 975

Summary of Personnel Numbers		Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			–	–	77	–	–	77	–	–	77
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>											
Municipal Manager and Senior Managers	5		–	–	–	–	–	–	–	–	–
Other Managers	3		9	–	7	8	–	5	8	–	5
Professionals	7		72	68	–	97	69	–	97	69	–
Finance			131	121	–	179	128	–	179	128	–
Spatial/town planning			29	28	–	45	31	–	45	31	–
Information Technology			14	13	–	10	9	–	10	9	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			8	7	–	11	7	–	11	7	–
Water			8	9	–	10	8	–	10	8	–
Sanitation			3	5	–	10	6	–	10	6	–
Refuse			–	–	–	–	–	–	–	–	–
Other			3	3	–	6	6	–	6	6	–
Technicians			66	56	–	87	61	–	87	61	–
Finance			390	348	–	420	295	–	420	295	–
Spatial/town planning			89	77	–	98	73	–	98	73	–
Information Technology			22	23	–	16	13	–	16	13	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			15	15	–	20	15	–	20	15	–
Water			23	20	–	19	14	–	19	14	–
Sanitation			23	14	–	42	22	–	42	22	–
Refuse			–	–	–	–	–	–	–	–	–
Other			12	10	–	12	10	–	12	10	–
Clerks (Clerical and administrative)			206	189	–	213	148	–	213	148	–
Service and sales workers			156	144	–	273	197	–	273	197	–
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			–	–	–	–	–	–	–	–	–
Elementary Occupations			193	182	–	354	253	–	354	253	–
			714	638	–	651	524	–	651	524	–
<b>TOTAL PERSONNEL NUMBERS</b>		9	<b>1 665</b>	<b>1 501</b>	<b>84</b>	<b>1 982</b>	<b>1 466</b>	<b>82</b>	<b>1 982</b>	<b>1 466</b>	<b>82</b>
<b>% increase</b>						19.0%	(2.3%)	(2.4%)	–	–	–
<b>Total municipal employees headcount</b>	6, 10		<b>1 665</b>	<b>1 596</b>	<b>7</b>	<b>1 982</b>	<b>1 466</b>	<b>6</b>	<b>1 982</b>	<b>1 466</b>	<b>–</b>
Finance personnel headcount	8, 10		<b>154</b>	<b>152</b>	<b>3</b>	<b>204</b>	<b>147</b>	<b>4</b>	<b>204</b>	<b>147</b>	<b>–</b>
Human Resources personnel headcount	8, 10		<b>72</b>	<b>59</b>	<b>5</b>	<b>80</b>	<b>58</b>	<b>7</b>	<b>80</b>	<b>58</b>	<b>–</b>



MP322 Mbombela - Supporting Table SA25 Budgeted monthly revenue and expenditure

Budget Year 2015/16														Medium Term Revenue and Expenditure Framework		
Description	Ref	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		24 278	24 741	24 283	23 903	24 369	24 876	32 801	28 469	34 015	34 186	34 008	64 134	374 063	405 315	442 708
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		45 591	52 725	53 651	55 394	56 928	54 112	58 870	51 695	58 882	58 651	59 999	159 131	765 628	862 817	976 335
Service charges - water revenue		2 448	2 265	3 101	3 360	2 280	3 437	3 412	3 864	3 963	3 421	3 063	8 275	42 890	69 935	104 096
Service charges - sanitation revenue		1 845	1 562	1 452	1 545	1 457	1 549	1 486	1 215	1 245	1 245	876	1 071	16 548	13 700	11 370
Service charges - refuse revenue		5 143	6 452	6 215	6 149	6 358	6 289	6 125	6 185	6 135	6 169	6 452	11 196	78 870	86 693	95 560
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 526	1 815	2 152	2 052	2 189	2 215	2 136	2 125	2 015	2 135	2 519	5 179	28 061	31 428	35 199
Interest earned - external investments		425	648	579	648	789	816	875	948	768	845	915	1 216	9 475	10 611	11 885
Interest earned - outstanding debtors		1 125	1 235	1 526	1 345	1 453	1 435	1 549	1 545	1 425	1 485	1 545	(7 223)	8 447	9 461	10 596
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		985	985	1 453	1 235	1 352	1 425	1 345	1 458	1 145	1 215	1 435	1 775	15 811	17 708	19 833
Licences and permits		0	0	0	0	0	0	0	0	0	0	0	0	2	2	3
Agency services		7 524	8 695	10 152	11 453	11 897	12 485	13 452	12 452	12 958	13 452	15 485	34 582	164 589	184 340	211 991
Transfers recognised - operational		155 445	934	-	-	129 554	-	-	-	288 781	-	-	-	574 714	614 100	669 574
Other revenue		4 153	4 512	5 482	5 126	4 896	5 685	5 254	4 352	5 452	5 485	7 855	15 712	73 964	70 798	69 420
Gains on disposal of PPE		366	366	366	366	366	366	366	366	366	366	366	366	4 390	4 917	5 507
Total Revenue (excluding capital transfers and contributions)		250 856	106 936	110 413	112 577	243 889	114 691	127 671	114 676	417 153	128 657	134 519	295 412	2 157 452	2 381 826	2 664 076
Expenditure By Type																
Employee related costs		32 745	36 828	35 861	37 387	37 200	38 208	40 202	38 895	47 854	46 908	48 007	105 999	546 092	617 057	682 730
Remuneration of councillors		1 777	1 777	1 777	1 732	1 743	1 733	2 013	2 162	2 162	2 162	2 123	8 250	29 411	31 176	33 046
Debt impairment		6 434	6 434	6 434	6 434	6 434	6 434	6 434	6 434	6 434	6 434	6 434	3 800	74 574	73 357	72 391
Depreciation & asset impairment		15 921	15 921	15 921	15 921	15 921	15 921	15 921	15 921	15 921	15 921	15 921	15 921	191 056	197 235	203 613
Finance charges		-	-	-	-	-	27 170	-	-	-	-	-	-	27 170	54 340	50 195
Bulk purchases		-	34 203	30 630	30 353	63 699	29 390	34 745	31 639	30 278	54 889	73 309	114 435	527 570	598 057	678 279
Other materials		2 813	3 966	3 700	4 490	4 370	3 768	3 535	3 462	4 562	3 165	6 227	5 503	49 561	53 090	56 870
Contracted services		17 224	18 444	24 914	23 775	39 018	24 521	19 429	26 168	33 070	25 237	48 491	33 763	334 054	348 109	364 272
Transfers and grants		76	293	4 858	4 966	6 587	5 341	11 899	8 177	3 655	5 482	10 452	88 451	150 239	152 229	168 884
Other expenditure		8 478	4 273	6 561	28 335	18 452	10 255	11 255	12 485	13 152	14 522	25 485	71 393	224 647	246 675	274 021
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		85 469	122 139	130 656	153 393	193 423	162 742	145 434	145 345	157 090	174 719	236 449	474 686	2 181 545	2 369 218	2 584 301
Surplus/(Deficit)																
Transfers recognised - capital		8 500	15 000	25 500	33 000	34 000	27 000	29 000	35 000	3 700	42 000	65 000	88 892	406 592	424 738	453 671
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		173 887	(203)	5 257	(7 816)	84 467	(21 051)	11 237	4 332	263 763	(4 062)	(36 930)	(90 382)	382 499	437 346	533 446
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	173 887	(203)	5 257	(7 816)	84 467	(21 051)	11 237	4 332	263 763	(4 062)	(36 930)	(90 382)	382 499	437 346	533 446

MP322 Mbombela - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	7	7	8	9
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	0	0	0	0
Vote 5 - DEPUTY MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES		153 845	62 500	78 500	7 500	129 554	86 400	45 000	73 245	105 264	62 155	28 450	140 357	972 769	1 045 187	1 127 221
Vote 7 - TRANSVERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - CORPORATE SERVICES		-	215	-	255	-	125	52	89	125	125	253	322	1 563	1 751	1 961
Vote 9 - COMMUNITY SERVICES		12 451	15 425	13 524	11 452	9 845	8 759	7 895	14 186	15 425	25 485	35 422	119 492	289 362	314 718	356 478
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	1 453	1 246	895	785	876	1 249	758	845	985	458	(2 324)	7 226	8 093	9 064
Vote 11 - INFRASTRUCTURE DEVELOPMENT		125 486	89 452	98 543	100 584	189 749	115 486	118 745	115 486	113 485	85 425	76 485	(61 143)	1 167 783	1 298 342	1 451 824
Vote 12 - WATER & SANITATION		-	-	-	-	-	-	-	-	-	-	-	125 333	125 333	138 465	171 191
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>291 782</b>	<b>169 045</b>	<b>191 813</b>	<b>120 686</b>	<b>329 933</b>	<b>211 645</b>	<b>172 942</b>	<b>203 765</b>	<b>235 145</b>	<b>174 175</b>	<b>141 069</b>	<b>322 044</b>	<b>2 564 044</b>	<b>2 806 564</b>	<b>3 117 747</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - COUNCIL		2 516	3 680	3 219	3 966	3 670	3 858	3 009	3 446	4 418	2 988	3 302	8 084	46 154	48 976	51 971
Vote 2 - COUNCIL SUPPORT		1 198	1 224	1 429	1 351	1 346	1 569	1 469	1 515	1 377	1 465	1 668	4 590	20 201	21 517	22 808
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		1 828	2 185	1 591	2 589	3 022	2 098	2 714	1 744	2 411	5 039	4 405	21 662	51 287	53 068	56 405
Vote 4 - MUNICIPAL MANAGER		6 924	1 529	6 548	1 592	1 521	1 521	1 312	1 298	1 607	1 949	1 988	7 350	35 141	37 202	39 480
Vote 5 - DEPUTY MUNICIPAL MANAGER		127	851	755	818	1 118	714	945	723	630	1 630	1 314	9 700	19 325	9 061	9 245
Vote 6 - FINANCIAL SERVICES		4 764	7 196	11 461	11 433	8 911	14 103	11 178	8 050	8 598	8 429	8 684	56 581	159 387	166 109	169 342
Vote 7 - TRANSVERAL		311	329	586	475	438	305	645	372	390	341	329	310	4 831	5 121	5 428
Vote 8 - CORPORATE SERVICES		2 810	2 332	6 775	6 377	7 173	2 475	13 779	8 735	6 173	6 477	8 273	86 289	157 669	202 624	240 639
Vote 9 - COMMUNITY SERVICES		14 097	36 450	38 053	54 562	26 497	51 916	31 559	61 633	34 020	59 267	45 727	107 533	561 315	596 587	625 577
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		2 178	2 504	2 749	2 919	2 395	3 377	2 706	3 987	2 630	2 749	2 505	33 866	64 564	68 122	86 983
Vote 11 - INFRASTRUCTURE DEVELOPMENT		10 843	41 550	133 522	79 139	42 909	84 648	68 060	71 886	81 440	106 869	66 376	12 217	799 458	883 295	982 876
Vote 12 - WATER & SANITATION		7 452	26 846	29 785	21 485	12 458	13 486	21 452	20 453	21 845	15 483	35 481	35 987	262 213	277 537	293 548
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>55 048</b>	<b>126 676</b>	<b>236 471</b>	<b>186 707</b>	<b>111 457</b>	<b>180 071</b>	<b>158 827</b>	<b>183 842</b>	<b>165 538</b>	<b>212 686</b>	<b>180 053</b>	<b>384 169</b>	<b>2 181 545</b>	<b>2 369 218</b>	<b>2 584 301</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>236 734</b>	<b>42 369</b>	<b>(44 658)</b>	<b>(66 021)</b>	<b>218 476</b>	<b>31 574</b>	<b>14 115</b>	<b>19 923</b>	<b>69 606</b>	<b>(38 511)</b>	<b>(38 984)</b>	<b>(62 125)</b>	<b>382 499</b>	<b>437 346</b>	<b>533 446</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>236 734</b>	<b>42 369</b>	<b>(44 658)</b>	<b>(66 021)</b>	<b>218 476</b>	<b>31 574</b>	<b>14 115</b>	<b>19 923</b>	<b>69 606</b>	<b>(38 511)</b>	<b>(38 984)</b>	<b>(62 125)</b>	<b>382 499</b>	<b>437 346</b>	<b>533 446</b>

MP322 Mbombela - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>																
<b>Governance and administration</b>		166 080	84 284	100 175	33 969	166 262	152 385	98 322	77 691	171 551	128 019	92 386	(296 738)	974 388	1 047 000	1 129 252
Executive and council		235	284	675	987	1 258	985	870	988	875	453	485	(8 059)	37	42	47
Budget and treasury office		153 845	62 500	78 500	7 500	129 554	86 400	45 000	73 245	105 264	62 155	28 450	131 084	963 496	1 034 801	1 115 589
Corporate services		12 000	21 500	21 000	25 482	35 450	65 000	52 452	3 458	65 412	65 412	63 451	(419 762)	10 854	12 157	13 616
<b>Community and public safety</b>		1 876	3 825	3 198	2 516	2 482	2 133	1 832	1 732	1 771	1 510	1 858	8 137	32 870	36 815	41 233
Community and social services		—	125	—	79	135	—	158	—	128	—	—	370	996	1 115	1 249
Sport and recreation		1 876	2 846	2 846	1 853	1 895	1 897	1 485	1 486	1 285	1 125	1 643	(4 196)	16 040	17 965	20 121
Public safety		—	854	352	585	452	236	188	246	358	385	216	11 962	15 834	17 734	19 862
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		5 947	6 374	11 951	16 363	19 348	15 957	13 197	18 334	22 743	36 429	29 044	357 505	553 193	598 547	657 323
Planning and development		325	390	498	578	589	715	649	849	898	645	568	490	7 194	8 057	9 024
Road transport		5 622	5 984	11 453	15 785	18 758	15 242	12 549	17 486	21 846	35 784	28 476	357 015	546 000	590 490	648 300
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>		55 028	63 005	64 419	66 448	67 023	65 387	69 893	62 960	70 225	69 486	70 390	279 328	1 003 592	1 124 202	1 289 940
Electricity		45 591	52 725	53 651	55 394	56 928	54 112	58 870	51 695	58 882	58 651	59 999	163 234	769 732	873 554	994 640
Water		2 448	2 265	3 101	3 360	2 280	3 437	3 412	3 864	3 963	3 421	3 063	90 814	125 429	143 407	180 699
Waste water management		1 845	1 562	1 452	1 545	1 457	1 549	1 486	1 215	1 245	1 245	876	1 071	16 549	13 700	11 371
Waste management		5 143	6 452	6 215	6 149	6 358	6 289	6 125	6 185	6 135	6 169	6 452	24 209	91 883	93 541	103 229
<b>Other</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Standard</b>		228 930	157 488	179 744	119 296	255 115	235 863	183 243	160 716	266 291	235 445	193 679	348 232	2 564 044	2 806 564	3 117 747
<b>Expenditure - Standard</b>																
<b>Governance and administration</b>		15 468	35 503	36 732	37 569	37 668	48 368	38 915	39 744	48 230	50 692	49 643	109 735	546 265	603 370	657 476
Executive and council		7 894	8 975	8 496	9 758	11 584	11 789	13 958	12 958	13 459	15 785	12 685	64 655	191 998	229 963	271 707
Budget and treasury office		4 764	7 196	11 461	11 433	8 911	14 103	11 178	8 050	8 598	8 429	8 684	29 435	132 242	137 849	139 371
Corporate services		2 810	19 332	16 775	16 377	17 173	22 475	13 779	18 735	26 173	26 477	28 273	15 645	224 025	235 559	246 398
<b>Community and public safety</b>		14 129	17 673	17 650	21 867	21 827	22 351	21 802	24 505	24 212	25 058	23 752	77 205	312 032	325 584	346 975
Community and social services		1 235	2 521	3 512	3 985	3 846	2 985	2 785	1 985	2 351	3 845	3 785	338	33 176	35 069	37 075
Sport and recreation		7 683	9 858	8 459	10 854	11 255	12 459	11 846	13 987	12 846	12 986	11 258	44 827	168 318	173 139	180 992
Public safety		4 860	4 852	4 898	6 252	5 845	6 126	6 486	7 846	8 460	7 896	8 486	25 360	97 366	103 463	110 238
Housing		255	345	685	679	785	685	590	590	459	235	125	7 740	13 171	13 913	18 670
Health		96	96	96	96	96	96	96	96	96	96	96	(1 060)	—	—	—
<b>Economic and environmental services</b>		12 438	23 741	37 792	29 973	28 703	33 010	30 308	43 344	40 247	43 035	57 538	(34 330)	345 799	374 196	414 568
Planning and development		986	1 255	1 898	1 988	2 105	3 153	3 453	3 486	3 987	4 582	8 946	23 513	59 350	61 466	76 593
Road transport		11 452	22 486	35 895	27 985	26 598	29 858	26 855	39 858	36 260	38 453	48 593	(60 752)	283 541	309 643	334 699
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	2 909	2 909	3 087	3 276
<b>Trading services</b>		3 525	45 230	55 216	64 183	64 889	63 681	59 107	66 992	75 689	86 114	134 724	251 212	970 560	1 060 893	1 160 112
Electricity		—	33 254	30 221	31 863	33 412	30 367	29 174	34 412	39 174	53 412	93 361	166 887	575 534	646 539	725 740
Water		—	2 012	10 489	15 489	15 489	16 489	12 489	13 489	12 489	13 489	15 489	87 663	215 073	228 307	241 608
Waste water management		—	985	4 255	4 846	4 536	4 366	4 986	4 570	7 569	5 689	6 895	(20 067)	28 631	30 034	32 017
Waste management		3 525	8 979	10 251	11 985	11 453	12 459	12 459	14 522	16 458	13 525	18 978	16 729	151 322	156 012	160 746
<b>Other</b>		220	220	220	220	220	220	220	220	220	220	220	2 469	4 889	5 175	5 171
<b>Total Expenditure - Standard</b>		45 779	122 366	147 610	153 812	153 307	167 630	150 352	174 804	188 598	205 119	265 877	406 291	2 181 545	2 369 218	2 584 301
<b>Surplus/(Deficit) before assoc.</b>		183 151	35 122	32 134	(34 516)	101 809	68 233	32 891	(14 088)	77 694	30 326	(72 197)	(58 059)	382 499	437 346	533 446
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	1	183 151	35 122	32 134	(34 516)	101 809	68 233	32 891	(14 088)	77 694	30 326	(72 197)	(58 059)	382 499	437 346	533 446

MP322 Mbombela - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	450	-	450	-	1 100	-	-	-	-	-	2 000	1 900	2 050
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	750	550	-	1 500	-	-	1 200	-	-	228	4 228	5 536	7 723
Vote 5 - DEPUTY MUNICIPAL MANAGER		-	250	-	250	-	-	-	-	-	-	-	-	500	350	350
Vote 6 - FINANCIAL SERVICES		-	1 200	-	550	750	-	1 200	750	-	1 489	-	0	5 939	9 978	14 649
Vote 7 - TRANSVERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - CORPORATE SERVICES		-	-	1 500	850	1 250	-	1 500	1 800	-	350	-	-	7 250	7 909	11 033
Vote 9 - COMMUNITY SERVICES		-	2 500	2 850	1 500	-	750	-	3 500	6 500	3 500	1 500	3 397	25 997	33 342	44 569
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	1 500	1 750	2 500	-	8 500	-	3 500	1 500	3 500	2 720	0	25 470	39 559	53 399
Vote 11 - INFRASTRUCTURE DEVELOPMENT		-	11 452	10 500	8 500	12 500	5 000	15 000	8 500	12 500	3 500	4 500	8 999	100 951	193 286	176 632
Vote 12 - WATER & SANITATION		-	12 500	10 500	13 500	9 500	10 500	11 500	12 500	13 500	15 000	12 000	19 505	140 505	262 113	302 213
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	29 402	28 300	28 200	24 450	26 250	30 300	30 550	35 200	27 339	20 720	32 130	312 841	553 974	612 618
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING,PERFORMAMNCE & MONITOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - DEPUTY MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES		-	-	500	-	500	-	-	-	-	-	-	-	1 000	-	-
Vote 7 - TRANSVERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - CORPORATE SERVICES		-	-	-	500	-	-	-	-	-	-	-	-	500	-	-
Vote 9 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	-	500	470	-	-	-	-	-	-	-	-	970	-	-
Vote 11 - INFRASTRUCTURE DEVELOPMENT		-	8 500	10 500	12 500	13 500	2 500	14 500	15 500	16 500	18 500	11 500	19 065	143 065	3 860	10 000
Vote 12 - WATER & SANITATION		-	3 500	10 500	11 500	12 500	3 500	7 500	8 600	5 600	7 500	5 500	47 840	124 040	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	-	12 000	22 000	24 970	26 500	6 000	22 000	24 100	22 100	26 000	17 000	66 905	269 575	3 860	10 000
<b>Total Capital Expenditure</b>	2	-	41 402	50 300	53 170	50 950	32 250	52 300	54 650	57 300	53 339	37 720	99 035	582 416	557 834	622 618

MP322 Mbombela - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital Expenditure - Standard</b>	1															
<b>Governance and administration</b>																
Executive and council		-	1 200	1 500	1 400	2 000	-	2 700	2 550	1 500	1 839	2 500	5 978	23 167	26 174	36 305
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	8 328	8 328	8 286	10 623
Corporate services		-	1 200	-	550	750	-	1 200	750	-	1 489	-	1 000	6 939	9 978	14 649
Community and public safety		-	-	1 500	850	1 250	-	1 500	1 800	1 500	350	2 500	(3 350)	7 900	7 909	11 033
Community and social services		-	2 500	2 850	3 970	2 850	2 500	3 100	2 100	2 200	2 500	3 500	13 473	41 543	34 589	17 555
Sport and recreation		-	2 500	2 850	3 500	2 850	2 500	3 100	2 100	2 200	2 500	3 500	(11 682)	15 919	600	650
Public safety		-	-	-	-	-	-	-	-	-	-	-	15 525	15 525	24 264	7 005
Housing		-	-	-	470	-	-	-	-	-	-	-	10 100	10 100	9 725	9 900
Health		-	-	-	-	-	-	-	-	-	-	-	(470)	-	-	-
<b>Economic and environmental services</b>																
Planning and development		-	4 350	5 750	17 500	25 500	20 150	23 600	21 900	23 500	17 600	19 000	22 632	201 482	194 419	205 041
Road transport		-	850	1 250	2 500	3 500	1 650	2 100	2 400	2 500	2 100	2 500	5 790	27 140	37 029	50 616
Environmental protection		-	3 500	4 500	15 000	22 000	18 500	21 500	19 500	21 000	15 500	16 500	16 842	174 342	157 390	154 425
<b>Trading services</b>																
Electricity		-	13 202	16 850	23 500	18 100	29 250	21 850	35 550	18 400	28 850	22 350	88 321	316 223	302 652	363 717
Water		-	-	3 500	2 150	850	1 500	3 500	2 850	1 850	1 950	2 500	11 173	31 823	24 239	34 618
Waste water management		-	11 452	10 500	18 500	12 500	25 000	15 000	28 500	12 500	23 500	14 500	66 325	238 277	232 789	295 901
Waste management		-	1 500	2 500	2 500	3 500	1 250	2 500	3 250	2 800	2 150	4 500	7 773	34 223	29 324	6 234
<b>Other</b>																
Other		-	250	350	350	1 250	1 500	850	950	1 250	1 250	850	3 050	11 900	16 300	26 964
<b>Total Capital Expenditure - Standard</b>	2	-	21 252	26 950	46 370	48 450	51 900	51 250	62 100	45 600	50 789	47 350	130 404	582 416	557 834	622 618
<b>Funded by:</b>																
National Government		-	3 500	14 500	25 000	22 000	28 500	31 500	39 500	41 000	55 500	56 500	89 092	406 592	424 738	453 671
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	30 000	30 000	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	3 500	14 500	25 000	22 000	28 500	31 500	39 500	41 000	55 500	56 500	119 092	436 592	424 738	453 671
Public contributions & donations		-	250	850	650	-	950	-	-	-	-	-	358	3 058	3 425	3 836
Borrowing		-	-	2 500	-	3 500	-	4 500	2 350	4 500	2 500	2 300	13 130	35 280	-	-
Internally generated funds		-	7 752	12 450	1 370	6 450	3 400	9 750	22 600	4 600	8 500	15 500	15 114	107 486	129 672	165 111
<b>Total Capital Funding</b>		-	11 502	30 300	27 020	31 950	32 850	45 750	64 450	50 100	66 500	74 300	147 693	582 416	557 834	622 618

MP322 Mbombela - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Receipts By Source</b>													1		
Property rates	24 278	24 741	24 283	23 903	24 369	24 876	32 801	28 469	34 015	34 186	34 008	44 718	354 648	386 659	424 782
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	45 591	52 725	73 651	55 394	76 928	54 112	68 870	61 695	78 882	68 651	89 999	115 409	841 906	952 088	1 082 028
Service charges - water revenue	2 448	2 265	3 101	3 360	2 280	3 437	3 412	3 864	3 963	3 421	3 063	6 247	40 863	67 987	102 224
Service charges - sanitation revenue	1 845	1 562	1 452	1 245	1 257	1 249	1 286	1 215	1 245	854	876	1 134	15 221	12 424	10 145
Service charges - refuse revenue	3 143	5 452	5 215	5 149	5 358	4 289	4 125	4 185	4 135	3 169	4 452	2 569	51 243	60 146	70 051
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 526	1 815	2 152	2 052	2 189	2 215	2 136	2 125	2 015	2 135	2 519	5 179	28 061	31 428	35 199
Interest earned - external investments	425	648	579	648	789	816	875	948	768	845	915	1 216	9 475	10 611	11 885
Interest earned - outstanding debtors	325	435	526	845	853	835	849	545	925	885	845	577	8 447	9 461	10 596
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	253	352	453	335	352	325	445	458	445	415	335	965	5 136	5 753	6 443
Licences and permits	0	0	0	0	0	0	0	0	0	0	0	0	2	2	3
Agency services	7 524	8 695	10 152	11 453	11 897	12 485	13 452	12 452	12 958	13 452	15 485	34 582	164 589	184 340	211 991
Transfer receipts - operational	155 445	934	-	-	129 554	-	-	-	185 569	-	-	-	471 502	506 459	547 483
Other revenue	4 153	4 512	5 482	5 126	4 896	5 685	5 254	4 352	5 452	5 485	7 855	15 712	73 964	70 798	69 420
<b>Cash Receipts by Source</b>	<b>246 958</b>	<b>104 138</b>	<b>127 047</b>	<b>109 511</b>	<b>260 724</b>	<b>110 325</b>	<b>133 505</b>	<b>120 311</b>	<b>330 375</b>	<b>133 500</b>	<b>160 353</b>	<b>228 309</b>	<b>2 065 056</b>	<b>2 298 156</b>	<b>2 582 249</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	127 026	1 400	4 000	51 800	143 500	2 500	58 378	2 000	119 200	-	-	-	509 804	532 379	575 762
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	2 500	-	-	-	-	-	-	-	1 890	4 390	4 917	5 507
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	22 245	-	-	-	-	-	22 245	44 490	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>373 984</b>	<b>105 538</b>	<b>131 047</b>	<b>163 811</b>	<b>404 224</b>	<b>135 070</b>	<b>191 883</b>	<b>122 311</b>	<b>449 575</b>	<b>133 500</b>	<b>160 353</b>	<b>252 444</b>	<b>2 623 741</b>	<b>2 835 452</b>	<b>3 163 518</b>
<b>Cash Payments by Type</b>															
Employee related costs	32 745	36 828	35 861	37 387	37 200	38 208	40 202	38 895	47 854	46 908	48 007	105 999	546 092	617 057	682 730
Remuneration of councillors	1 777	1 777	1 777	1 732	1 743	1 733	2 013	2 162	2 162	2 162	2 123	8 250	29 411	31 176	33 046
Finance charges	-	-	-	-	-	20 099	-	-	-	-	-	20 099	40 199	38 092	36 054
Bulk purchases - Electricity	-	34 203	30 630	30 353	33 699	29 390	34 745	31 639	30 278	54 889	73 309	84 494	467 630	534 220	615 234
Bulk purchases - Water & Sewer	-	2 012	3 585	4 528	3 846	3 527	4 528	5 628	6 453	7 685	8 459	9 689	59 941	63 837	67 986
Other materials	2 813	3 966	3 700	4 490	4 370	3 768	3 535	3 462	4 562	3 165	6 227	6 103	50 161	53 733	57 559
Contracted services	17 224	18 444	24 914	23 775	39 018	24 521	19 429	26 168	33 070	25 237	48 491	35 361	335 651	350 313	366 612
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	76	293	4 858	4 966	6 587	5 341	11 899	8 177	3 655	5 482	10 452	88 251	150 039	152 229	168 884
Other expenditure	8 478	4 273	6 561	28 335	18 452	10 255	11 255	12 485	13 152	14 522	25 485	69 395	222 649	243 828	270 993
<b>Cash Payments by Type</b>	<b>63 114</b>	<b>101 796</b>	<b>111 885</b>	<b>135 566</b>	<b>144 913</b>	<b>136 842</b>	<b>127 607</b>	<b>128 618</b>	<b>141 187</b>	<b>160 049</b>	<b>222 553</b>	<b>427 642</b>	<b>1 901 773</b>	<b>2 084 485</b>	<b>2 299 098</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	3 500	8 500	35 000	45 000	55 000	14 500	65 000	75 000	80 000	78 000	35 000	87 916	582 416	557 834	622 618
Repayment of borrowing	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	18 600	20 560	23 451
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>68 164</b>	<b>111 846</b>	<b>148 435</b>	<b>182 116</b>	<b>201 463</b>	<b>152 892</b>	<b>194 157</b>	<b>205 168</b>	<b>222 737</b>	<b>239 599</b>	<b>259 103</b>	<b>517 108</b>	<b>2 502 789</b>	<b>2 662 879</b>	<b>2 945 167</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>305 820</b>	<b>(6 308)</b>	<b>(17 388)</b>	<b>(18 305)</b>	<b>202 760</b>	<b>(17 823)</b>	<b>(2 273)</b>	<b>(82 857)</b>	<b>226 838</b>	<b>(106 099)</b>	<b>(98 749)</b>	<b>(264 664)</b>	<b>120 951</b>	<b>172 573</b>	<b>218 351</b>
Cash/cash equivalents at the month/year begin:	153 786	459 606	453 298	435 910	417 605	620 366	602 543	600 270	517 412	744 250	638 151	539 402	153 786	274 737	447 311
Cash/cash equivalents at the month/year end:	459 606	453 298	435 910	417 605	620 366	602 543	600 270	517 412	744 250	638 151	539 402	274 737	274 737	447 311	665 662

**MP322 Mbombela - Supporting Table SA34a Capital expenditure on new assets by asset class**

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			115 134	142 720	143 727	183 126	289 205	289 205	223 396	188 774	205 864
Infrastructure - Road transport			44 600	117 921	83 741	84 742	121 597	121 597	110 587	87 420	80 975
Roads, Pavements & Bridges			44 600	90 842	83 741	84 742	121 597	121 597	108 957	87 420	80 375
Storm water				27 079	—	—	—	—	1 630	—	600
Infrastructure - Electricity			13 277	2 851	4 068	19 034	39 931	39 931	8 459	10 140	13 158
Generation				—	—	—	—	—	—	—	—
Transmission & Reticulation			13 277	2 851	4 068	19 034	39 931	39 931	4 200	10 140	13 158
Street Lighting				—	—	—	—	—	4 259	—	—
Infrastructure - Water			38 500	—	36 345	65 448	93 745	93 745	89 050	67 099	93 068
Dams & Reservoirs				—	—	—	—	—	—	—	—
Water purification				—	—	—	—	—	—	—	—
Reticulation			38 500	—	36 345	65 448	93 745	93 745	89 050	67 099	93 068
Infrastructure - Sanitation			14 224	20 146	16 733	7 032	16 683	16 683	9 700	11 000	1 700
Reticulation				—	—	—	—	—	9 700	11 000	1 700
Sewerage purification			14 224	20 146	16 733	7 032	16 683	16 683	—	—	—
Infrastructure - Other			4 533	1 802	2 840	6 870	17 249	17 249	5 600	13 115	16 964
Waste Management				151	—	—	—	—	5 600	13 115	16 964
Transportation		2		—	—	—	—	—	—	—	—
Gas				—	—	—	—	—	—	—	—
Other		3	4 533	1 651	2 840	6 870	17 249	17 249	—	—	—
Community			5 825	17 361	6 660	5 183	8 053	8 053	23 901	4 450	4 050
Parks & gardens			30	—	—	—	—	—	—	—	—
Sportsfields & stadia			610	11 265	4 858	1 292	1 292	1 292	—	—	—
Swimming pools				—	—	—	—	—	250	500	500
Community halls			1 112	3 409	420	3 754	6 267	6 267	18 851	—	—
Libraries				—	—	—	—	—	—	—	—
Recreational facilities				2 114	1 013	—	358	358	—	—	—
Fire, safety & emergency				—	—	—	—	—	500	—	—
Security and policing			1 903	183	274	—	—	—	1 800	2 700	3 000
Buses		7		—	—	—	—	—	2 000	750	—
Clinics				—	—	—	—	—	—	—	—
Museums & Art Galleries				—	—	—	—	—	—	—	—
Cemeteries				—	—	—	—	—	500	500	550
Social rental housing		8		—	—	—	—	—	—	—	—
Other			2 170	390	95	137	137	137	—	—	—
Heritage assets			1 414	367	—	—	—	—	—	—	—
Buildings				—	—	—	—	—	—	—	—
Other		9	1 414	367	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Housing development				—	—	—	—	—	—	—	—
Other				—	—	—	—	—	—	—	—
Other assets			27 832	859	7 221	15 913	30 693	30 693	40 310	34 613	57 145
General vehicles		10	13 400	—	2 635	7 980	16 694	16 694	15 170	9 184	15 500
Specialised vehicles			—	—	—	—	—	—	—	—	—
Plant & equipment			2 207	—	—	—	—	—	500	350	350
Computers - hardware/equipment				—	—	—	—	—	3 800	2 709	4 433
Furniture and other office equipment			3 640	195	2 396	2 212	5 734	5 734	2 179	2 867	4 354
Abattoirs				—	—	—	—	—	—	—	—
Markets			1 373	390	349	—	—	—	3 926	5 243	7 698
Civic Land and Buildings			490	—	243	1 912	1 912	1 912	—	—	—
Other Buildings				—	1 135	3 205	5 750	5 750	2 000	—	—
Other Land				—	—	—	—	—	—	—	—
Surplus Assets - (Investment or Inventory)				—	—	—	—	—	—	—	—
Other			6 722	274	464	604	604	604	12 734	14 260	24 811
Agricultural assets			—	1 716	179	—	—	—	—	—	—
List sub-class				1 716	179	—	—	—	—	—	—
Biological assets			—	—	—	—	—	—	—	—	—
List sub-class				—	—	—	—	—	—	—	—
Intangibles			875	—	3 431	—	—	—	18 388	19 796	24 367
Computers - software & programming			875	—	3 431	—	—	—	18 388	19 796	24 367
Other (list sub-class)				—	—	—	—	—	—	—	—
Total Capital Expenditure on new assets		1	151 079	163 023	161 218	204 222	327 951	327 951	305 996	247 634	291 427



**MP322 Mbombela - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			40 436	68 117	59 209	291 375	339 868	339 868	262 028	280 664	317 236
Infrastructure - Road transport			29 940	37 383	24 202	100 845	138 683	138 683	67 498	84 286	92 419
Roads, Pavements & Bridges			29 940	37 383	24 202	100 845	138 683	138 683	67 148	84 286	92 419
Storm water						-	-	-	350	-	-
Infrastructure - Electricity			7 208	1 288	4 753	21 042	49 036	49 036	20 280	10 864	15 949
Generation							-	-			
Transmission & Reticulation			7 208	1 288	4 753	21 042	49 036	49 036	20 280	10 864	15 949
Street Lighting						-	-	-			
Infrastructure - Water			540	27 044	12 946	77 494	18 733	18 733	149 227	165 691	202 833
Dams & Reservoirs							-	-			
Water purification							-	-	15 000	10 546	50 000
Reticulation			540	27 044	12 946	77 494	18 733	18 733	134 227	155 145	152 833
Infrastructure - Sanitation			2 748	607	2 872	69 227	84 869	84 869	24 523	18 324	4 534
Reticulation							-	-	24 523	18 324	4 534
Sewerage purification			2 748	607	2 872	69 227	84 869	84 869			
Infrastructure - Other			-	1 795	14 436	22 767	48 545	48 545	500	1 500	1 500
Waste Management					14 068	9 010	21 165	21 165			
Transportation							-	-			
Gas							-	-			
Other				1 795	368	13 757	27 380	27 380	500	1 500	1 500
Community			919	1 480	919	5 971	5 971	5 971	8 842	21 814	5 710
Parks & gardens							-	-	300	500	550
Sportsfields & stadia			134		885	1 365	1 365	1 365	6 542	19 664	3 255
Swimming pools							-	-		-	
Community halls			785	700		2 453	2 453	2 453			
Libraries							-	-			
Recreational facilities						2 152	2 152	2 152			
Fire, safety & emergency							-	-	800	150	155
Security and policing				780	26		-	-	1 200	1 500	1 750
Buses							-	-		-	-
Clinics							-	-		-	-
Museums & Art Galleries							-	-		-	-
Cemeteries							-	-		-	-
Social rental housing							-	-		-	-
Other					8		-	-		-	-
Heritage assets			-	-	2 127	-	-	-	-	-	-
Buildings					2 127						
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			1 363	4 112	7 268	20 950	24 472	24 472	5 550	7 722	8 400
General vehicles				439		6 524	10 046	10 046			
Specialised vehicles			-		-	-	-	-	-	-	-
Plant & equipment			271	142	448	352	352	352	2 000	1 970	2 200
Computers - hardware/equipment				422			-	-	400	1 200	1 200
Furniture and other office equipment				579	489		-	-			
Abattoirs							-	-			
Markets				347			-	-			
Civic Land and Buildings			591	376	1 651	7 035	7 035	7 035	150		
Other Buildings				995	4 628		-	-	3 000	4 552	5 000
Other Land							-	-			
Surplus Assets - (Investment or Inventory)							-	-			
Other			501	813	53	7 039	7 039	7 039			
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			1 151	-	-	-	-	-	-	-	-
Computers - software & programming			1 151								
Other (list sub-class)											
Total Capital Expenditure on renewal of existing		1	43 869	73 709	69 523	318 296	370 310	370 310	276 420	310 200	331 346
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											
Renewal of Existing Assets as % of total capex			22.5%	31.1%	30.1%	60.9%	53.0%	53.0%	47.5%	55.6%	53.2%
Renewal of Existing Assets as % of deprecn			15.1%	30.6%	31.9%	135.8%	175.4%	175.4%	144.7%	157.3%	162.7%

MP322 Mbombela - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Repairs and maintenance expenditure by Asset Class/Sub-class												
Infrastructure			108 404	117 981	89 135	79 458	111 147	111 147	156 375	167 566	178 498	
Infrastructure - Road transport			48 307	36 842	47 803	54 469	60 197	60 197	70 692	77 223	83 238	
Roads, Pavements & Bridges			34 949	27 330	47 803	41 621	44 836	44 836	62 219	68 147	73 516	
Storm water			13 358	9 513		12 848	15 360	15 360	8 473	9 076	9 723	
Infrastructure - Electricity			25 046	29 027	35 373	20 619	33 160	33 160	32 643	34 533	36 536	
Generation			-	-	-	-	-	-	-	-	-	
Transmission & Reticulation			13 594	21 524	35 373	20 619	33 160	33 160	22 108	23 415	24 801	
Street Lighting			11 452	7 503			-	-	10 535	11 118	11 734	
Infrastructure - Water			13 452	22 165	4 661	1 856	7 498	7 498	35 257	37 047	38 927	
Dams & Reservoirs			-	-	-	-	-	-	-	-	-	
Water purification			-	-	-	-	-	-	-	-	-	
Reticulation			13 452	22 165	4 661	1 856	7 498	7 498	35 257	37 047	38 927	
Infrastructure - Sanitation			10 767	14 528	-	1 873	6 399	6 399	7 830	8 293	8 785	
Reticulation			-	-	-	-	-	-	-	-	-	
Sewerage purification			10 767	14 528		1 873	6 399	6 399	7 830	8 293	8 785	
Infrastructure - Other			10 831	15 417	1 299	641	3 893	3 893	9 953	10 470	11 012	
Waste Management			9 261	12 542	1 299	641	3 893	3 893	9 953	10 470	11 012	
Transportation			-	-			-	-	-	-	-	
Gas			-	-			-	-	-	-	-	
Other			1 570	2 875			-	-	-	-	-	
Community			15 773	28 076	8 703	7 405	14 600	14 600	9 091	10 114	11 322	
Parks & gardens			317	525	872	5 520	8 774	8 774	1 371	1 440	1 513	
Sportsfields & stadia			6 426	4 822	6 558	833	3 349	3 349	3 171	3 855	4 705	
Swimming pools			389	525			-	-	271	285	299	
Community halls			94	92			-	-	-	-	-	
Libraries			726	985			-	-	-	-	-	
Recreational facilities			171	215			-	-	-	-	-	
Fire, safety & emergency			429	895			-	-	-	-	-	
Security and policing			2 594	12 352	1 273	1 052	2 477	2 477	4 279	4 534	4 805	
Buses			-	-			-	-	-	-	-	
Clinics			-	-			-	-	-	-	-	
Museums & Art Galleries			-	-			-	-	-	-	-	
Cemeteries			2 593	3 852			-	-	-	-	-	
Social rental housing			-	-			-	-	-	-	-	
Other			2 034	3 812			-	-	-	-	-	
Heritage assets			-	-	-	-	-	-	-	-	-	
Buildings												
Other												
Investment properties			-	-	-	-	-	-	-	-	-	
Housing development												
Other												
Other assets			9 387	7 588	50 182	32 420	47 168	47 168	25 172	26 976	27 989	
General vehicles					31 816	25 203	33 655	33 655	9 518	10 046	10 605	
Specialised vehicles			-	-	-	-	-	-	-	-	-	
Plant & equipment			4 273	2 752	1 078	1 045	3 557	3 557	775	1 789	1 803	
Computers - hardware/equipment			-	-			-	-	-	-	-	
Furniture and other office equipment			735	206			-	-	165	173	182	
Abattoirs			-	-			-	-	-	-	-	
Markets			-	-	-		-	-	300	318	337	
Civic Land and Buildings			4 379	4 630	15 752	4 990	8 242	8 242	13 215	13 450	13 761	
Other Buildings			-	-			-	-	-	-	-	
Other Land			-	-			-	-	1 200	1 200	1 300	
Surplus Assets - (Investment or Inventory)			-	-			-	-	-	-	-	
Other			-	-	1 536	1 182	1 714	1 714	-	-	-	
Agricultural assets			-	-	-	-	-	-	-	-	-	
List sub-class												
Biological assets			-	-	-	-	-	-	-	-	-	
List sub-class												
Intangibles			-	-	-	-	-	-	795	445	95	
Computers - software & programming									795	445	95	
Other (list sub-class)												
Total Repairs and Maintenance Expenditure			1	133 564	153 645	148 020	119 283	172 915	172 915	191 434	205 101	217 903
Specialised vehicles												
Refuse												
Fire												
Conservancy												
Ambulances												
R&M as a % of PPE				2.6%	3.0%	2.9%	2.0%	3.3%	3.3%	3.4%	3.5%	3.5%
R&M as % Operating Expenditure				8.0%	8.6%	8.0%	6.2%	8.8%	8.8%	8.8%	8.7%	8.4%

**MP322 Mbombela - Supporting Table SA34d Depreciation by asset class**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>									
<b><u>Depreciation by Asset Class/Sub-class</u></b>										
<b><u>Infrastructure</u></b>		<b>287 360</b>	<b>236 328</b>	<b>213 624</b>	<b>198 438</b>	<b>175 438</b>	<b>175 438</b>	<b>173 614</b>	<b>178 294</b>	<b>183 504</b>
Infrastructure - Road transport		148 673	90 707	95 243	100 360	80 360	80 360	73 781	74 469	76 564
Roads, Pavements & Bridges		148 673	90 707	95 243	100 360	80 360	80 360	73 781	74 469	76 564
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		20 847	21 890	22 984	26 542	26 542	26 542	27 869	28 983	29 853
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		20 847	21 890	22 984	26 542	26 542	26 542	27 869	28 983	29 853
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		17 351	18 219	19 130	42 783	39 783	39 783	41 772	43 443	44 747
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		17 351	18 219	19 130	42 783	39 783	39 783	41 772	43 443	44 747
Infrastructure - Sanitation		99 548	104 525	75 231	27 113	27 113	27 113	28 469	29 607	30 495
Reticulation		14 201	14 911	15 657	27 113	27 113	27 113	28 469	29 607	30 495
Sewerage purification		85 347	89 614	59 574	-	-	-	-	-	-
Infrastructure - Other		940	987	1 037	1 641	1 641	1 641	1 723	1 792	1 845
Waste Management		940	987	1 037	1 641	1 641	1 641	1 723	1 792	1 845
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
<b><u>Community</u></b>		<b>3 928</b>	<b>4 474</b>	<b>4 331</b>	<b>35 973</b>	<b>35 660</b>	<b>35 660</b>	<b>17 443</b>	<b>18 940</b>	<b>20 108</b>
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		3 928	4 125	4 331	23 923	23 923	23 923	5 120	6 124	6 908
Swimming pools		-	349	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	6 859	6 859	6 859	7 202	7 490	7 715
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	5 190	4 877	4 877	5 121	5 326	5 486
<b><u>Heritage assets</u></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b><u>Investment properties</u></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b><u>Other assets</u></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	10	-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b><u>Agricultural assets</u></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class		-	-	-	-	-	-	-	-	-
<b><u>Biological assets</u></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class		-	-	-	-	-	-	-	-	-
<b><u>Intangibles</u></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	<b>1</b>	<b>291 288</b>	<b>240 802</b>	<b>217 955</b>	<b>234 411</b>	<b>211 098</b>	<b>211 098</b>	<b>191 056</b>	<b>197 235</b>	<b>203 613</b>

MP322 Mbombela - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Community Services		Purchase of 18 Seater Bus for Transport of Employees			Yes	Other	Buses					2 000	-	750		N
Community Services		Upgrade of Mbombela civic theatre			Yes	Community	Civic Land & Buildings					150	350	-	0	R
Community Services		Development of Nkambeni Cemetery			Yes	Community	Community - Cemeteries					500	-	500	550000	N
Community Services		Erection of Fencing of Kanyamazane and Kabokweni stadiums			Yes	Community	Community - Security					500	-	300		N
Community Services		Purchase of Traffic Controllers x 5			Yes	Community	Community - Security					300	-	600	800000	N
Infrastructure Development		Construction of Phole Community hall			Yes	Community	Community halls					3 947	-	-	0	N
Infrastructure Development		Construction of Elandshoek community hall			Yes	Community	Community halls					5 921	-	-	0	N
Infrastructure Development		Construction of Nkomeni Emelo community hall			Yes	Community	Community halls					3 650	-	-	0	N
Infrastructure Development		Construction of Phambeni community hall			Yes	Community	Community halls					5 433	-	-	0	N
Community Services		K-53 Test Track for Motorcycle - White river			Yes	Community	Community - Security					500	30 000	-	0	N
Community Services		Upgrade of Lincancing Security			Yes	Community	Community - Security					500	-	500	175000	R
Community Services		Construction of Traffic Technical Services paint store and staff kitchen (Mbombela)			Yes	Community	Community - Security & Policing					700	14 000	1 000	1000000	R
Community Services		Purchase of Prolaser II Speed Measuring Machine			Yes	Community	Community - Security & Policing					500	6 000	1 800	2200000	N
Community Services		Upgrade of Mbombela Stadium			Yes	Community	Community - Sportsfield					1 542	12 000	2 217	3255302.786	R
Community Services		Swimming pool Equipment			Yes	Community	Community - Swimming Pool					250	-	500	500000	N
Community Services		Purchase of Computer P.O.S. system for the swimming pools			Yes	Community	Computers - hardware/equipment					300	97 750	200	300000	N
Corporate Services		New and upgrading of ICT Hardware			Yes	Community	Computers - hardware/equipment					3 500	-	2 509	413238.075	N
Corporate Services		New and upgrading of ICT software			Yes	Community	Computers - hardware/equipment					400	-	1 200	1200000	R
Community Services		Purchasing of Mbombela Fire station Backup generator			Yes	Community	Fire, safety & emergency					500	-	-	0	N
Community Services		Upgrading of Mbombela Fire station			Yes	Community	Fire, safety & emergency					800	-	150	0	R
Council		Purchase of Furniture Nine Traditional Council Offices			Yes	Community	Furniture and other office equipment					500	19 826	-	0	N
Council Support		Purchase of Office Furniture and Equipment			Yes	Community	Furniture and other office equipment					400	19 826	200	250000	N
Finance		Purchase of Office Furniture and Equipments			Yes	Community	Furniture and other office equipment					1 279	10 546	2 667	4104314	N
Community Services		Purchasing of Vehicles for Sports Section			Yes	Community	General vehicles					500	-	-	0	N
Community Services		Purchase of New Motorcycles (16) (Traffic Services)			Yes	Community	General vehicles					1 500	-	800	0	N
Community Services		Purchase of Traffic Services Motor Vehicles			Yes	Community	General vehicles					1 500	-	1 000	2400000	N
Community Services		Outsource Motor Vehicle Record System			Yes	Community	General vehicles					500	-	500	500000	N
Community Services		Purchase of Fleet for Parks			Yes	Other Assets	General vehicles					700	17 447	2 000	800000	N
Community Services		Purchase of Waste Collection Fleet			Yes	Other Assets	General vehicles					6 300	5 000	3 184	10000000	N
Council		Purchase of Motor Vehicles - Office of the Executive Mayor			Yes	Other Assets	General vehicles					600	5 000	-	0	N
Council Support		Procurement of Motor Vehicles			Yes	Other Assets	General vehicles					1 600	5 000	1 700	1800000	N
Finance		Purchase of Mobile Fueling Tankers			Yes	Other Assets	General vehicles					1 000	5 000	-	0	N
LED, URM AND Human Settlements		Purchase of motor vehicles (LDV)			Yes	Other Assets	General vehicles					470	5 000	-	0	N
LED, URM AND Human Settlements		Purchase of motor vehicles (LDV)			Yes	Other Assets	General vehicles					500	5 000	-	0	N
Community Services		Upgrading of existing courts and change rooms			Yes	Intangibles	Infrastructure - Other					500	10 000	1 500	1500000	R
Community Services		Purchase of Cemetery ITC System			Yes	Intangibles	Intangibles					500	3 000	100	100000	N
Corporate Services		Implementation of disaster recovery plan and business continuity systems			Yes	Intangibles	Intangibles					3 000	3 000	3 500	5000000	N
Finance		Purchase of asset tracking and scanning system			Yes	Intangibles	Intangibles					700	3 000	-	1818549	N
Finance		Purchase of Standard Chart of Accounts Complaint System			Yes	Intangibles	Intangibles					1 360	5 000	3 000	3000000	N
Finance		Property Valuation Management System			Yes	Intangibles	Intangibles					600	7 000	660	726000	N
Infrastructure Development		Purchase of Integrated Transport System (Operating Systems)			Yes	Intangibles	Intangibles					8 000	6 000	7 000	6000000	N
Municipal Manager		Procurement of Performance Tracking ICT System			Yes	Intangibles	Intangibles					4 228	5 000	5 536	7722916.652	N
LED, URM AND Human Settlements		Construction of Informal Trade Stalls			Yes	Other	Markets					2 000	5 000	3 000	4382954	N
LED, URM AND Human Settlements		Provision of Barber Stalls			Yes	Other	Markets					426	2 000	326	500000	N
LED, URM AND Human Settlements		Construction of Piggery House			Yes	Other	Markets					1 500	2 000	1 917	2814617	N
Community Services		Backup Generator for Mbombela Testing Station			Yes	Other Assets	Other Assets					500	-	-	0	N
Community Services		Purchase of Lawnmowers and Brushcutters			Yes	Other Assets	Other Assets					500	-	600	600000	N
Corporate Services		Purchase of Equipment for Medical examinations			Yes	Other Assets	Other Assets					350	-	700	700000	N
Infrastructure Development		AMR meters-Commercial			Yes	Other Assets	Other Assets					3 084	750	-	0	N
Infrastructure Development		AMR meters-Residential			Yes	Other Assets	Other Assets					-	5 536	3 235	5510606	N
LED, URM AND Human Settlements		Construction of Job Linkage Scheme			Yes	Other Assets	Other Assets					6 400	1 500	8 000	15000000	N
LED, URM AND Human Settlements		Purchase of Aerial Photograph			Yes	Other Assets	Other Assets					600	500	-	0	N
LED, URM AND Human Settlements		UNS-Upgrade of Kanyamazane-Msogwabe-Luphisi link network (Phase 1)			Yes	Other Assets	Other Assets					15 244	200	23 786	27918754.38	R
Community Services		Purchasing of Brushcutters and Ride-on lawn mowers for Sports section			Yes	Other Assets	Other Assets					500	-	500	1000000	N
Community Services		Purchase of Road Marking Machine			Yes	Other Assets	Other Assets					500	500	625	1200000	N
Community Services		Purchase of Uninterrupted Power Supply (UPS) X 10			Yes	Other Assets	Other Assets					300	300	600	800000	N
Community Services		Purchase of 15 collapsible structures			Yes	Other Assets	Other Buildings					500	1 700	900	0	R
Community Services		Purchase of 15 Guard houses			Yes	Other Assets	Other Buildings					500	200	-	0	N
Community Services		Ablution and Change Room Facilities			Yes	Other Assets	Other Buildings					500	-	-	0	N
Community Services		Upgrade of ablution facilities			Yes	Other Assets	Other Buildings					500	2 217	-	0	R
Community Services		Ablution and Change Room Facilities			Yes	Other Assets	Other Buildings					500	-	-	0	N
Corporate Services		Construction of Emergency escape facilities - White River Civic Centre			Yes	Other Assets	Other Buildings					500	4 000	-	0	N
Finance		Renovation of Mbombela and White River Municipal stores			Yes	Other Assets	Other Buildings					1 500	6 140	1 800	2000000	R
Finance		Upgrade of Mechanical Workshop			Yes	Other Assets	Other Buildings					500	-	1 852	3000000	R
Community Services		Establishment and upgrading of Parks including purchase of play equipment			Yes	Other Assets	Parks & Garden					300	-	500	550000	R

## **2.8 LEGISLATION COMPLIANCE STATUS**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### **2.8.1 In-year reporting**

Reporting requirements in terms of the Municipal Finance Management Act and its regulations have been complied with.

### **2.8.2 Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Finance Department.

### **2.8.3 Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

### **2.8.4 Audit Committee**

An Audit Committee has been established and is fully functional.

### **2.8.5 Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and will be finalized within 28 days after the tabling of the annual 2015/16 and MTREF on the 28 May 2015 directly aligned and informed by the 2015/16 IDP and budget.

### **2.8.6 Annual Report**

Annual report is compiled in terms of the Municipal Finance Management Act and its regulations.

### **2.8.7 Municipal Finance Management Act Training**

The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.

### **2.8.8 Policies**

All budget-related policies mentioned earlier have been tabled together with the approved budget before council on 28 May 2015, under item A(3 ).

## 2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Mr N M Seanego**, Municipal Manager of Mbombela Local Municipality, hereby certify that the final budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the final budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name: N M SEANEGO

Municipal Manager of Mbombela Local Municipality (MP322)

Signature: 

Date : 11/06/2015

